

# RED RIVER AUTHORITY OF TEXAS

## ADMINISTRATIVE POLICY AND PROCEDURE MANUAL



AS AMENDED

Adopted October 28, 1980 by the Board of Directors of Red River Authority of Texas

Subsequent Revisions:

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**CHAPTER 1**

**GENERAL ADMINISTRATION**



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## **GENERAL POLICY**

### **CHAPTER 1**

#### **1.0 PREFACE TO GENERAL POLICY**

##### **1.0.1 The Red River Authority of Texas**

The Red River Authority of Texas was created in 1959 by Acts of the 56<sup>th</sup> Legislature as a conservation and reclamation district, a political subdivision of the state, a body politic and corporate under Article XVI, Section 59 of the Texas Constitution.

The governing body shall be composed of a board of nine directors, all of whom shall be property taxpayers, legal voters of the state, and residents of a county within the Authority's territory. The Directors shall serve six-year staggered terms upon appointment of the Governor and confirmation by the Senate. From the Directors the Governor will appoint a President, and the Directors will elect from their membership a Vice President, and Secretary/Treasurer. The Directors may also elect an Assistant Secretary. The legislative acts provided that a governing body shall preside over all operations and functions of the Authority through the promulgation of bylaws and/or general policies. Before beginning to perform the duties of office, each director shall execute a bond for \$10,000 payable to the Authority and conditioned on the faithful performance of that director's duties. All bonds of the directors shall be approved by the board and paid for by the Authority.

##### **1.0.2 Enabling Legislation**

The Enabling Legislation, as enumerated in Article 8280-228 of Vernon's Annotated Texas Civil Statutes (VATCS) as amended, specify the powers and duties granted the Authority under the general and special laws of the state to fulfill its purposes. A copy can be found in Appendix A. Effective April 1, 2023, by acts of the 87<sup>th</sup> Legislature, the Authority was codified under the Special District Local Laws Code, Title 6, Water and Wastewater, Subtitle G, River Authorities, with Chapter 8510. A copy of this codification is contained in Appendix B.

##### **1.0.3 Adopted Bylaws**

The Board of Directors has adopted a formal set of Bylaws and from time to time revises same. A copy of the Bylaws currently in effect is contained in Appendix C.

##### **1.0.4 Legal Jurisdiction**

The legal jurisdiction of the Authority in which its legislative charges shall be administered is defined as all of any partial county lying within the watershed of the Red River in Texas. The total complement is 43 Texas counties. Refer to **Figure 1**, Vicinity Map.





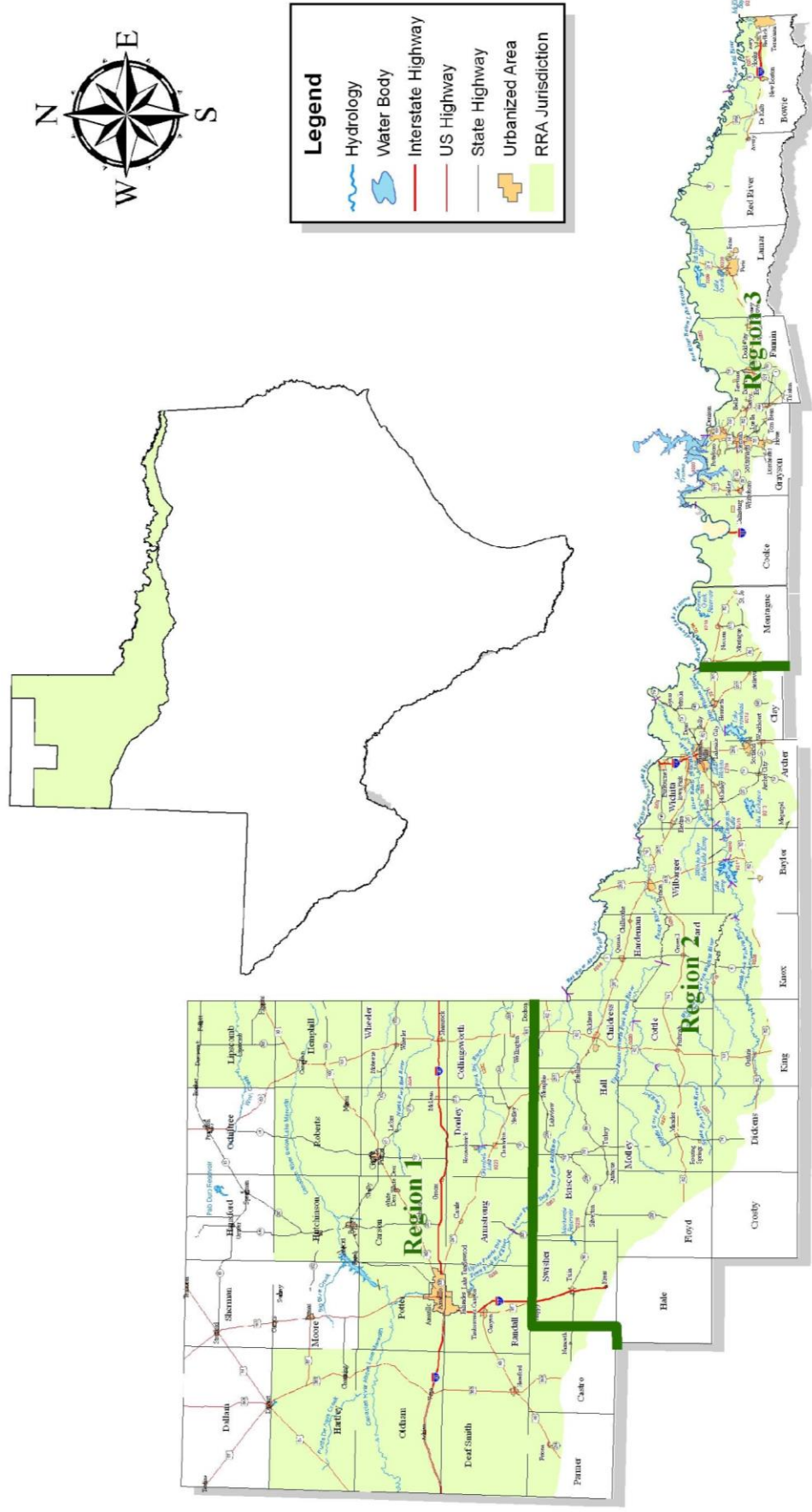
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### **1.0.5 Funding**

All funding received for the Authority's continued operation shall be from services rendered through the accomplishment of the legislative charges. Funds received may be in the form of user rates, fees, charges, and contracts in connection with services provided by the Authority. The Authority may also receive contributions, grants, and contributed capital and/or issue its revenue bonds for any useful purpose, providing it is within the scope of the Enabling Legislation.

### **1.0.6 Disposition of Funding, Assets and Property**

The Board of Directors shall provide disposition of all funding, assets and property, in accordance with 30 T.A.C. Section 292.13(1)(D).



## Figure 1



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### **1.1 GENERAL ADMINISTRATION DIVISION**

#### **1.1.1 Introduction**

The General Administration Division is designated to function as the chief executive branch of the Authority and directed to carry out the policies sanctioned by the Board of Directors to achieve the purpose for which the agency was created. All officers and employees shall adhere to the policies adopted by the Board of Directors and administer the responsibilities entrusted the agency with the highest ethical and professional regard. The Board of Directors shall require each officer and employee who shall be charged with the collection or paying or handling of any funds of the Authority to furnish good and sufficient bond, payable to the Authority, conditioned upon the faithful performance of duties and the accounting for all funds and property of the Authority.

A General Manager shall be appointed by the Board of Directors, and charged with the administration of the affairs and operations of the Authority under the guidelines and procedures set forth in this General Policy as adopted by the Board of Directors.

The General Manager may be assisted by a professional staff and employees in the accomplishment of his or her duties, and shall be solely responsible to the Board of Directors for the proper implementation of all policies and the successful operation of the Authority.

The General Manager shall be vested by the Board with the right to employ and/or terminate all personnel deemed necessary to fulfill the Authority's purpose. The General Manager shall be authorized to set and regulate the compensation of all employees, except that of himself, under the guidelines set forth by the Position Classification Act (Chapter 654, Government Code), and subject to budgetary restrictions.

#### **1.1.2 General Purpose**

The Authority's mission is the orderly conservation, reclamation, protection, and development of the water resources throughout the Red River Basin for the benefit of the public.

The prime directives enumerated by the Texas Legislature are expanded for the purpose of establishing a systematic approach through its objectives.

#### **1.1.3 Scope of Services**

The scope of services of the Authority, as summarized from its Enabling Legislation, shall be considered the primary objectives of the Authority. They include, but are not limited to, the following general responsibilities:

- a. Preparation and maintenance of a Master Plan, Strategic Plan, and Asset Management Plan for the organized protection, reclamation, conservation, and development of the water resources throughout the Red River Basin for the benefit of the general public;



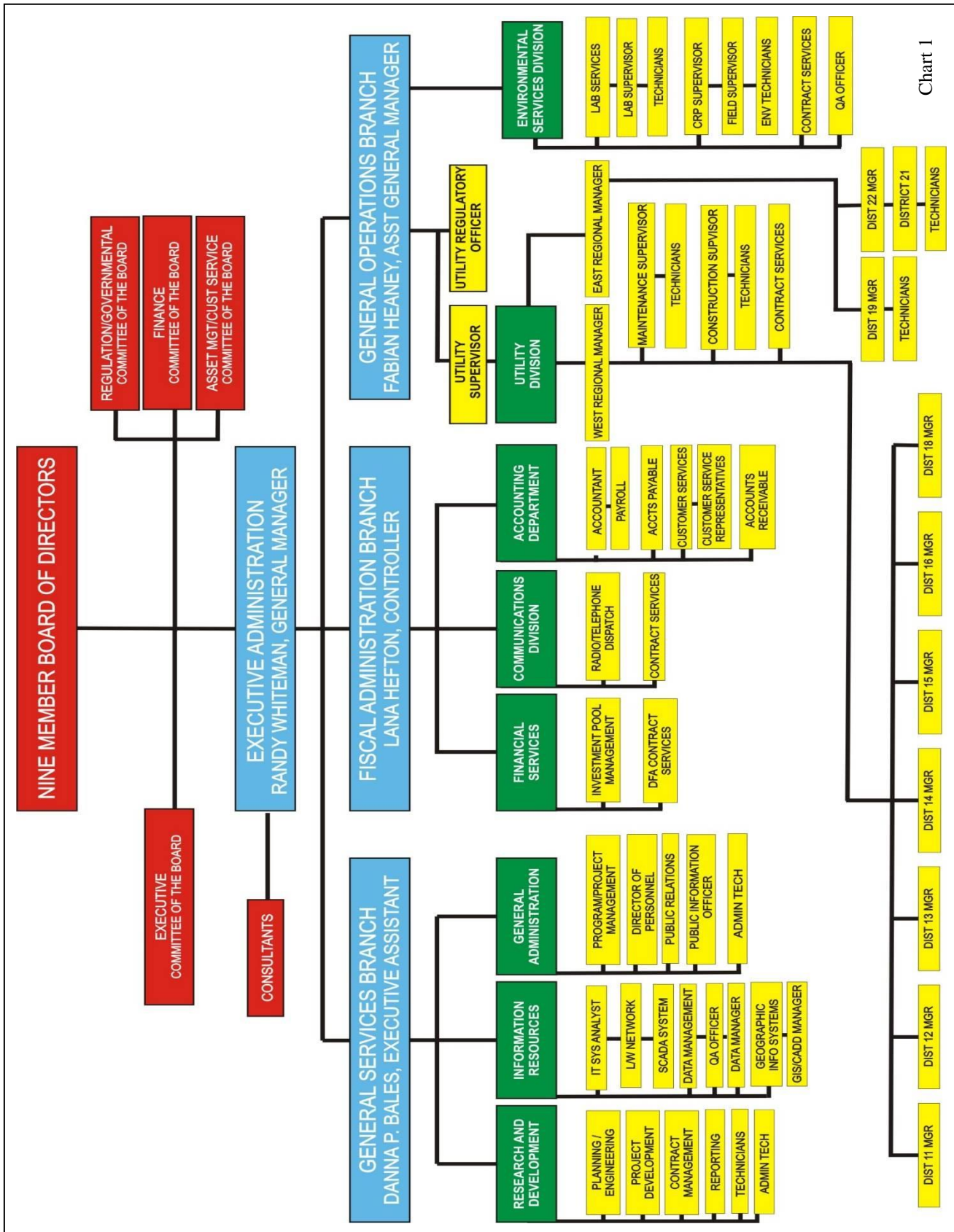
## **CHAPTER 1**

- b. Provide administrative and technical assistance in the areas of development, operation, and maintenance to meet the water resource needs of communities and municipalities within the designated legal jurisdiction;
- c. Provide financial assistance to aid in the control of pollution, conservation of water, resource management and development, water and wastewater treatment, navigation, flood control, and solid waste disposal;
- d. Provide sponsorship of any feasible public works project where the intent is to reclaim, improve, or develop the water resources of the watershed within the framework of all applicable state and federal statutes;
- e. The Authority may exercise its legislative powers to contract, construct, purchase, lease, own and/or operate any public facilities necessary to benefit the public, within the scope of its Enabling Legislation;

### **1.1.4 Organizational Chart**

An organizational chart shall be maintained to accurately present the level of interaction and function of all divisions and departments within the structure of the Authority.

- a. All divisions and department functions of the Authority shall be subordinate to the governing body, including outside professional consultants, and categorized by the integral scope of service to be provided by each.
- b. Any material changes or modifications in the organizational structure shall be subject to the approval of the Board of Directors.





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### **1.2 ADMINISTRATIVE PROCEDURES**

#### **1.2.1 Responsibility**

Each officer and employee shall acknowledge the primary goals of the Authority and observe the guidelines and procedures applying to the assigned area of responsibilities as specified in the job description, policies, guidelines, and procedures. Contained herein are the primary administrative procedures under which all officers and employees will work. The contents should be read thoroughly for a complete understanding and observed with the utmost sincerity.

All classified personnel shall endeavor to preserve and protect the fiduciary trust of the Authority and maintain personal accountability to perform all assigned duties within the ethical and professional disciplines of this policy and procedures manual.

#### **1.2.2 Standards of Conduct**

The Authority, which is a legal subdivision of the State of Texas, shall strictly adhere to the criteria set forth under Article 6252-9b, Section 8, Article 5996a, Section 1, VATCS and the Local Government Code, Chapter 171, as they relate to standards of conduct for directors, officers, employees, agents, and advisors of the Authority.

- a. No director, officer, or employee should accept or solicit any gift, favor, or service that might reasonably tend to influence him in the discharge of his or her duties or that he knows or should know is being offered him with the intent to influence his or her official conduct.
- b. No director, officer, or employee should accept employment or engage in any business or professional activity which he might reasonably expect would require or induce him to disclose confidential information acquired by reason of his or her official position.
- c. No director, officer, or employee should accept employment, compensation, or beneficial gain which could reasonably be expected to impair his or her independence of judgment in the performance of his or her official duties.
- d. No director, officer, or employee should make personal investments which could reasonably be expected to create a substantial conflict between his or her private interest and the public interest of the Authority.
- e. No director, officer, or employee should intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed his or her official duties in the favor of another.





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- f. A director, officer, or employee must agree not to accept any form of bribe, gratuity, special privilege, or other type of benefit from those doing business with or seeking to do business with the Authority, which might be reasonably construed to impair his or her judgment or the performance of his or her duties; and further agrees to report in writing to his or her supervisor any issues or actions that may appear questionable or bring discredit to the Authority.
- g. All directors, officers, and employees who are responsible for receipt, disbursement, or investing Authority funds shall exercise sufficient care to avoid any conflict of interest or the appearance of impropriety in the execution of their assigned duties.
- h. All directors, officers, and employees shall fully comply with Article 5996-a, §1, VATCS concerning the appointment or employment of any person related within the second degree of affinity or within the third degree by consanguinity to the person so appointing or employing, or to any member of the Board which such person so appointing or employing may be a member, when the salary, fees, or compensation of such person is to be paid for, directly or indirectly, out of or from public funds of the Authority (Refer to 1.3.37).
- i. All directors, officers, and employees shall not knowingly seek or hold a substantial interest greater than a material value of \$2,500 in any business activity or real property which might be construed as a conflict of interest, as defined in Chapter 171 of the Local Government Code; and shall report any economic benefit that may offer the appearance of conflict in writing to the General Manager for an opinion as to an actual conflict from the General Counsel.
- j. All directors, officers, and employees shall execute an affidavit (Ethics Agreement) acknowledging they have read and agree to abide under the terms and conditions of these standards of conduct and general policy or decline appointment or employment with the Authority.

### **1.2.3 Equal Employment Opportunity**

Equal Employment Opportunity (EEO) is defined as a policy whereby all employees, applicants for employment, and recipients of benefits and services are treated equally without regard to their protected class status.

The Authority strives to ensure that every applicant is treated equally and that the Authority's workforce reflects the diversity of the basin's workforce. The Authority makes all reasonable efforts to ensure that all have equal access to employment.

The Authority shall comply with Texas Government Code Chapter 573 regarding degrees of relationship and nepotism with its hiring practices.



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There are strict time limits for filing charges of employment discrimination. To preserve the ability of EEOC to act on your behalf, and to protect your right to file a private lawsuit should you ultimately need to, you should contact EEOC promptly when discrimination is suspected: The U.S. Equal Employment Opportunity Commission (EEOC), 1-800-669-4000 (toll-free) or 1-800-669-6820 (toll-free TTY number for individuals with hearing impairments). EEOC field office information is available at [www.eeoc.gov](http://www.eeoc.gov) or in most telephone directories in the U.S. Government or Federal Government section. Additional information about EEOC, including information about charge filing, is available at [www.eeoc.gov](http://www.eeoc.gov).

### **1.2.4 Affirmative Action Policy**

Affirmative action is designed to achieve and promote Equal Employment Opportunity. The Authority strives to ensure a desirable workplace with a diverse team of people and professions. This work environment is achieved by a productive, efficient workforce that is free of discrimination, intimidation, and harassment.

Employees will not direct degrading or abusive conduct toward other employees. The Authority considers such conduct unacceptable in the workplace. Any behavior that degrades another's protected status is a serious violation of the Authority's EEO policy. The Authority will take immediate corrective action as each behavior occurs. Such behavior includes, but is not limited to, offensive name calling, jokes, vulgar language, slang, jargon used to describe sexual acts, body parts and bodily functions, slurs including all racial, ethnic, religious and gender-based insults, and posting offensive materials on Authority property.

Sexual harassment in any context will not be tolerated. Sexual harassment of any type must be immediately reported to Authority supervisory personnel. All sexual harassment complaints will be investigated and appropriate actions, including, but not limited to a formal reprimand or termination, will be taken immediately if the complaint is found to be valid.

If you believe you have been discriminated against because of race, color, national origin, age, religion, sex, disability, or because of retaliation for participating in an investigation or proceeding, or filing another discrimination complaint, you should file a complaint in writing following the Grievances process listed below.

If you believe the treatment you received from the employer was because of your race, color, national origin, age, religion, sex, disability, or because of retaliation for participating in or filing another discrimination complaint, Contact the Civil Rights Division:

Email: [EEOintake@twc.texas.gov](mailto:EEOintake@twc.texas.gov)

Fax: 512-463-2643

Mailing Address:

Texas Workforce Commission

Civil Rights Division





## **CHAPTER 1**

101 E 15th St, Guadalupe CRD  
Austin, TX 78778-0001  
Physical Address:  
1215 Guadalupe St,  
Austin, TX 78701  
Call: 512-463-2642 or 888-452-4778 (in Texas only)

### **1.2.5 Probation**

Probation is defined as an employee's first six (6) months of duty in regular full-time status in a position. This period shall be considered probationary for all new employees or permanent employees reclassified through promotion, or for employees placed on probation for disciplinary reasons. Employees on probation are at-will, and may be terminated for any reason, including performance or policy violation.

### **1.2.6 Position Classification Plan**

In 1961, the Texas Legislature adopted the Position Classification Plan (Chapter 654, Government Code), as amended, for all state employees. The Act requires that all regular, full-time salaried employees of a state agency conform to the Position Classification Plan as administered through the State Auditor's Office whether funds are kept inside or outside of the State Treasury.

The only exemptions are to elected officers, appointed officials, the chief executive officer of the agency, administrative and professional personnel, temporary, and/or contract labor employees.

The Authority shall conform to the Position Classification Plan where applicable as defined by Chapter 654, Government Code. The plan shall be administered under the direction of the General Manager.

### **1.2.7 Salary Classification**

All salaried personnel shall be classified in a salary group according to the Position Classification Plan, as provided by the State Auditor's Office.

Each employee shall be classified with a Job Description provided at the beginning of employment detailing the various responsibilities and duties required for the position, together with the minimum education, skills, and experience necessary to perform acceptable work. The Job Description will also indicate the employee's immediate supervisor, who will assign the specific duties and evaluate the performance of the employee's work. The Job Description may be changed or modified from time to time depending upon a change in duty assignments within the position or reclassification of the employee.



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Classification of employees shall provide the basis for maintaining equitable and uniform compensation with other state employees performing similar type work. The plan shall also provide equal opportunity in advancement and non-discriminatory compensation for each classified position within the Authority.

### **1.2.8 Salary Adjustments**

All salary adjustments shall be recommended by the supervisor, authorized by the General Manager, and subject to the availability of budgeted funds. Salary adjustments may be authorized as an increase for the purpose of promotion, merit award, and/or cost of living adjustments. Other adjustments may be as a decrease for the purpose of demotion or disciplinary actions.

Merit awards shall be based upon the individual's evaluation and recommendation of the immediate supervisor who shall carefully consider the employee's overall job performance, productivity, and attitude to be consistently above that normally expected or required for the position. The supervisor shall also consider any newly acquired skills and training relevant to the job classification when making the recommendation.

For an employee to be eligible for a merit salary increase, the following additional criteria must be met:

- a. The employee must have been employed by the Authority in a full-time position for at least six (6) consecutive months;
- b. At least six months must have elapsed since the employee's last salary increase or position change;
- c. The Authority's criteria for granting salary adjustments shall include specific documentation contained in a written evaluation;
- d. An employee may not be granted more than a two-step increase in any one adjustment unless the classification is changed through promotion or approved by the General Manager.

A decrease in salary may be authorized when recommended by the employee's immediate supervisor for the purpose of demotion or disciplinary reasons. Should a classified employee's performance so warrant disciplinary action without dismissal, the salary may be reduced. The employee shall be considered on probation and may be re-evaluated within six months. At the end of the probation period, the supervisor may recommend termination or reinstatement to the previous salary amount.

Cost-of-living salary adjustments may be authorized based on periodic studies of comparative salary rates with respect to the average annual rate of inflation as established by



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the State Auditor's Office and expressed as a percentage adjustment to all employees in classified positions. The General Manager may decline to follow the published cost-of-living increase granted to other state employees depending upon availability of budgeted funds.

The cost-of-living increase shall not exceed that recommended by the state or the current salary grid published by the State Auditor's Office.

All recommendations for salary adjustments, either as an increase or decrease, must be made in writing, recommended by the immediate supervisor, approved by the General Manager, and shall become a permanent part of the employee's personnel record.

### **1.2.9 Employee Evaluations**

All classified employees shall be subject to an evaluation by their immediate supervisor at the end of the first six months of employment, or sooner if deemed necessary. This period shall be considered probationary for all new employees or permanent employees reclassified through promotion or placed on probation for disciplinary reasons. This period shall be considered probationary for all new employees or permanent employees reclassified through promotion or placed on probation for disciplinary reasons. The probationary period may be extended at the discretion of the General Manager and recommended by the supervisor. Thereafter, the classified employee will receive an evaluation annually or 12 months from the last evaluation. All evaluations will be discussed with the General Manager prior to issuance to the employee by the supervisor.

The evaluation is designed to provide the supervisor and the employee with an evaluation of strengths and weaknesses observed over a given period of time. The form used for the review shall be determined by the General Manager. The expected performance level is an overall average of three or higher. Refer to the Standards of Excellence contained in Appendix E for details.

The evaluation review shall be discussed with the employee by the supervisor, with an opportunity provided the employee to review his or her evaluation and make written comments if desired. Should the employee feel that the evaluation is incorrect or inaccurate; the employee may request the review be in the presence of the General Manager and his or her immediate supervisor.

It shall be the responsibility of the employee to understand all of the assigned duties of the Job Description. If at any time the employee does not fully understand the job assignments, the employee should consult with his or her supervisor for guidance. The supervisor may assign temporary duties that are not included in the job description, but may be added upon recommendation of the supervisor. Achieving and maintaining a consistent average performance level of 3.0 or higher of all assigned duties, either permanent or temporary, is



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the minimum requirement expected of all employees. The evaluation shall become a permanent part of the employee's classified personnel record.

### **1.2.10 Longevity Pay**

The purpose of Longevity Pay is to encourage and reward continued employment with Red River Authority of Texas.

Employees of Red River Authority of Texas who have completed one or more years of service will be eligible to receive longevity pay as established by the Board of Directors of Red River Authority of Texas.

Longevity pay is earned at a maximum rate of \$50.00 per year for each year of Authority service, up to and including 40 years. Longevity pay benefits begin upon the completion of one year of employment and increases by one at the end of each employment year thereafter. Employees will be paid longevity pay on December 1<sup>st</sup> of each year for the amount earned based upon the credited years as of November 30<sup>th</sup> of the same calendar year. The General Manager will authorize longevity pay increases for each eligible employee based upon completion of years of service and in accordance with this policy.

In order to be eligible to receive longevity pay for a given calendar year, employees must be employed by the Authority on December 1<sup>st</sup> of the year of the payment and have completed at least one year of service by November 30<sup>th</sup> of the same calendar year. Payment of longevity pay is contingent upon availability of funds.

### **1.2.11 License Incentive Pay**

The purpose of License Incentive Pay is to promote and maintain a highly qualified, trained, and professional workforce, by providing incentives for employees to participate in job-related continuing education, certification, and licensing programs. This policy outlines license incentive pay requirements and amounts. This policy applies to non-exempt staff in the Utility Division.

Non-exempt Utility Division field staff are eligible to receive compensation, in addition to their base pay, for qualifying licenses obtained as required to perform their job duties. To qualify for license incentive-pay, proof of licensure must be obtained from the appropriate institution or licensing agency. Licenses must be maintained in an active status in order to receive compensation. The head of Personnel Services has the right to verify the status of certifications.

Employees are responsible for providing the head of Personnel Services with a copy of any recently acquired license in a timely manner. License Incentive Pay is paid on each employee payroll. The pay is on a per-license basis, and no more than three licenses will qualify for the



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incentive pay at any time. The amount of pay is \$1.00 per license per hour, or as designated by the General Manager. The incentive pay may only be paid for licenses as follows:

- District Manager: Any TCEQ Water Operator License (D through A) and a Customer Service Inspector License. If the District has a Wastewater System, the District Manager or the designated back-up to the District Manager will also qualify for pay for a TCEQ Wastewater Operator License (D through A). The maximum incentive pay for any combination of these licenses is for three licenses.
- Maintenance Technician, Maintenance Supervisor, or Construction Manager: Any TCEQ Water Operator License (D through A) and a State of Texas Commercial Driver's License. If the Maintenance Technician is the designated backup to the District Manager of a system, that Technician will also qualify for pay for a TCEQ Wastewater Operator License (D through A), or a Customer Service Inspector License. The maximum incentive pay for any combination of these licenses is for three licenses.
- The license pay will be revoked if the license is not maintained, or if the employee changes to an exempt status. Employees on suspension, family medical leave, or catastrophic sick leave, or placed into a probationary status due to job performance are not eligible to receive License Incentive Pay.

### 1.2.12 On-Call Pay and Call Back Pay

The Authority's objective is to provide for after-hour services in the event of emergencies, or as needed to maintain the utility operations. The Authority provides for after-hour service needs by providing rules for the designation of certain employees as on-call, and for the calling back of certain employees to work. Non-exempt personnel may be designated as on-call or may be called back to work. Employees designated to be on-call or who are called back to work are expected to respond to divisional after-hour service needs as required by procedures established by each Division.

Scheduled on-call status pay: Non-exempt employees shall receive on-call pay when designated as on-call. Non-exempt employees designated as on call by their supervisors will receive pay for actual hours worked in addition to the on-call pay.



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Unscheduled or emergency call back status pay: Non-exempt employees not designated as on call by their supervisors and who are called to work on an unscheduled or emergency basis will receive the greater of either two (2) hours pay or the actual hours worked. If an employee receives subsequent call-outs after the expiration of the initial two (2) hour period, each such subsequent call-out shall commence an additional two (2) hour guarantee.

Exempt employees are always considered as on-call, and will not receive pay for actual hours worked when called back to work, nor are they eligible for on-call pay.

Each Division shall establish internal procedures for handling emergency services which could require call back of all employees necessary to provide the needed service, regardless of on-call status. Call back occurs when the Authority requires an employee to return to work on an unscheduled or emergency basis to work outside of the employee's regularly scheduled work hours. Call back pay does not apply in the case of scheduled overtime.

All employees designated to on-call status or responding to call back must meet the provisions of the Authority's Drug and Alcohol Policy. All responding employees are expected to be fit (mentally and physically) to accomplish services needed within the time-frame required. Employees must communicate any concerns regarding their fitness or ability to respond to their supervisor at the time of the initial call to report to work. Call back time will be paid at the applicable overtime rate. Time worked immediately after regularly scheduled working hours at the request or approval of the supervisor will not be considered call back and will be paid at the regular rate of pay until overtime requirements are met.

An employee is expected to respond to call-backs within a reasonable time period in accordance with the rules established by the division in which the employee works. Failure to respond to callback requests may subject the employee to disciplinary action.

The General Manager shall establish internal procedures for designating employees as on-call. Designation are to be made in advance, and are to be provided to the Authority Accountant for proper designation in payroll.

An employee who has been designated to be available for on-call and subject to call back is free to pursue personal activities, but may be requested to respond to call back within designated guidelines set by the Division in accordance with Authority Policies. All employees designated to be on-call are expected be reachable by Authority-issued cell phone or other designated means. A non-exempt designated on-call employee should remain within 25 miles of home for emergency response, unless already working overtime on an Authority issue.

This on-call status is not considered time worked, but will be compensable on a per-week basis as designated by the General Manager. A non-exempt employee will be considered officially scheduled and designated as on-call only when approved by their supervisor. The On-Call period is the 24-hour period each day from Monday through Sunday. Non-exempt employees will be paid \$50.00 per week for the period they are designated as on-call, or as set by the General Manager.



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On-call pay is in addition to any other compensation. Also, non-exempt employees who are called back during their on-call status to the workplace will be paid at their regular rate of pay for actual hours worked until overtime requirements are met. Non-exempt employees who receive on-call pay are also paid for the actual hours they work.

On-call pay will be paid during the month following the month in which it was earned. A designated employee must complete the full week period of on-call status (Monday through Sunday) to receive the On-Call pay. The period an employee cannot work cannot be assigned to another employee. If an employee cannot meet the term of the on-call status, the immediate supervisor must be notified.

Employees on suspension, family medical leave, or catastrophic sick leave are not subject to, and may not benefit from on-call status.

### **1.2.13 Whistleblower Act**

The purpose of the Whistleblower Act is to protect employees from retaliation for reporting alleged violations of the law. The Authority will not tolerate adverse personnel actions (an action that affects an employee's compensation, promotion, demotion, transfer, work assignment, or performance evaluation) taken against an employee who, in good faith, reports a violation of the law to an appropriate law enforcement agency. Employees who report such violations are protected under the Whistleblower Act.

Employees may file an internal complaint with the Authority for a retaliation (suspension, termination, or any adverse personnel action occurring within 90 days after a whistleblower report) incident. Employees may also file a lawsuit, but according to the Whistleblower Act they must file an internal complaint before any other legal action may be taken. Employees should be aware that there are complicated time constraints involved in retaliation lawsuits and they may wish to seek legal counsel if they intend to take such action.

The Authority may be liable for supervisors who violate the Whistleblower Act, although supervisors should also be aware that they may be held personally liable for their actions. Notices will be posted on public bulletin boards explaining employees' rights under the Whistleblower Act.

The U.S. Department of Labor's Wage and Hour Division (WHD) is responsible for administering and enforcing some of the nation's most important worker protection laws, including the Whistleblower Act. For questions or concerns, call 1-866-487-9243. There are WHD offices throughout the country with trained professionals for assistance. Additional information can be found at the following website: <https://www.dol.gov/agencies/whd>.





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### **1.2.14 Grievances**

Should an employee believe that he or she has been wrongfully treated, discriminated against, or harassed in any manner while in the performance of their assigned duties, the employee shall have the right to file a formal grievance with the Authority without prejudice. All grievances shall be made in writing, stating the nature of the grievance and directed to the supervisor. In the event the supervisor and the complainant are unable to reach a conclusion to the issue, the supervisor shall schedule a conference or special review within fifteen days of the complainant's original petition in the presence of the General Manager for an expeditious resolution. The General Manager's decision shall be final.

If the Supervisor is the object of the complaint, the complaint should be directed to the Executive Assistant in her capacity as the Human Resources Officer. The Executive Assistant will schedule a meeting with the Assistant General Manager for review by the General Manager.

If the Assistant General Manager or Executive Assistant are the object of the complaint, the complaint should be directed to the General Manager.

If the General Manager is the object of the complaint, the complaint should be directed to the Executive Assistant in her capacity as the Human Resources Officer. The Executive Assistant will schedule a meeting with the Assistant General Manager for review by the Board President.

### **1.2.15 Training and Continuing Education**

All classified personnel are eligible and periodically offered formal training programs, lectures, short courses, and seminars that are designed to enhance current skills and improve their present job performance. The Authority encourages the attendance of all job related associational meetings, and will pay all membership and tuition fees pertinent to maintaining or upgrading skills and certifications relevant to their present job. Employees should keep the personnel office apprised of any additional training, certifications, or skill enhancements received since their employment. Additionally, interoffice training events will be held on a regular basis covering employee rights, ethics, and other applicable information, as needed.

### **1.2.16 Education Assistance Programs**

The Education Assistance Program provides opportunities for employees who wish to further their education on a part-time basis while they work for the Authority and attend classes. The course or field of study must provide knowledge and skills for the employee that are beneficial to the Authority and relevant to the employee's current position or to future staffing requirements anticipated by the Authority subject to approval of the General Manager.

To pursue a degree through the Education Assistance Program, employees must:





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- a<sup>1</sup>. Be a regular full-time employee;
- b<sup>1</sup>. Be in good standing with the Authority (meeting performance standards and not on probation);
- c<sup>1</sup>. Have been employed by the Authority for at least 24 months; and
- d<sup>1</sup>. Have written acceptance from an accredited institution of higher learning and a degree plan signed by the institution's department dean.
- e<sup>1</sup>. Sign an agreement with the Authority laying out the conditions of the education assistance being sought.

The Authority management may assist an employee's education, subject to the availability of funds, based on the following criteria:

- a<sup>2</sup>. Employee maintains a degree plan which is consistent with their duties within the Authority. At the beginning of each semester, an Advisor Approved Schedule must be submitted to management for review and approval;
- b<sup>2</sup>. All classes must be scheduled so as not to interfere with normal working hours;
- c<sup>2</sup>. A percentage payment of tuition, fees, and books will be based on the semester's grade (grade of A=95%, B=85%, C=75%, D or F=0%); and
- d<sup>2</sup>. Incomplete or failed courses will not be reimbursed.

### **1.2.17 Risk Management**

The Authority shall maintain a Safety Program aimed at reducing or eliminating unnecessary risk within the work place, and provide detailed safety information, instructional training, and promotion of safe work practices to prevent accidents, bodily injury, and property damage or loss.

A Safety Procedures and Policy Instruction Manual covering all categories and topics relevant to the Authority's operations shall be utilized as the basic guidance document for developing topical training sessions for all classified personnel. All regular staff meetings shall include, as an integral component, at least one subject concerning safety practices in addition to regularly scheduled safety meetings. Refer to manual summary contained in Appendix F.

### **1.2.18 Drug and Alcohol Abuse**

The purpose of this policy section is to identify and remove the adverse effects of alcohol and drugs on job performance, and to protect the health and safety of all employees. Use and misuse of alcohol or drugs can and does impair the ability of an employee to perform his or her duties and may endanger the employee, coworkers, and the public, as well as prop-



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erty. The Authority seeks to prevent the abuse and misuse of drugs and alcohol by employees which may impair their ability to perform their assigned duties in any way.

- a. The Authority shall provide drug and alcohol abuse education as part of the Safety Program.
- b. Alcoholism and other drug addictions are recognized as diseases responsive to proper treatment, and can be overcome by employees with proper counsel, guidance, and treatment.
- c. The manufacture, distribution, dispensing, possession, sale, purchase, or use of a controlled substance on Authority property is strictly prohibited.
- d. Being under the influence of alcohol or illegal drugs on Authority property is strictly prohibited. The unauthorized use or possession of prescription or over-the-counter drugs on Authority property is prohibited and may result in employee discipline, including termination.
- e. The policy applies to all officers and employees of the Authority regardless of rank or position and includes temporary and part-time employees.
- f. Employees taking drugs prescribed by an attending physician must advise their direct supervisor in writing of the possible effects of such medication regarding their job performance and physical or mental capabilities. This written information must be kept confidential and communicated to the direct supervisor prior to the employee commencing work. All medical information will be kept confidential and the employer, without exception, will punish any breach of privacy and confidentiality in this regard. All prescription drugs must be kept in their original container.
- g. Any employee involved in a work related accident where alcohol or drugs are believed to be a contributing factor will be subject to a special performance review and drug testing, in addition to any other accident investigation activities. An employee holding a commercial grade license may be subject to drug and alcohol testing as required by the United States Department of Transportation. The employee may be subject to discipline, including termination.
- h. When job impairment has been observed or identified, and documented on a special performance review, the Authority may request that the employee seek professional assessment in resolving or accessing treatment for addiction to, dependence on, or problems with alcohol, drugs, or other personal problems adversely affecting their job performance. The cost of treatment, counseling, or rehabilitation will be the responsibility of the employee.



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- i. Refusal to participate in, or failure to seek professional help will be documented, should job performance not improve after a reasonable length of time as stipulated in the special performance review, the employee will be subject to progressive corrective action up to and including termination of employment.
- j. The earlier a problem is addressed, the easier it is to deal with and the higher the success rate, but it does not preclude the Authority's use of corrective actions or discipline.
- k. Professional assessment, referral appointments, any treatment, or absences will not be treated as sick leave. Any loss of time must be pre-approved vacation, authorized personal time or leave without pay.
- l. The sale, use, purchase, transfer, or possession of an illegal drug or drug paraphernalia is a violation of the law. The Authority will report information concerning possession, distribution, or use of any illegal drugs to law enforcement officials and will turn over to the custody of law enforcement officials any such substances found during a search of an individual's work area or personal property located on Authority grounds. Searches will only be conducted on individuals' work area or personal property, based on reasonable suspicion. The Authority will cooperate fully in the prosecution and/or conviction of any violation of the law. The employee may be subject to discipline, including termination.

### **1.3 ADMINISTRATIVE GUIDELINES**

#### **1.3.1 Working Hours**

The Authority's work week begins on Monday at zero-hundred hours and ends on Sunday at 2400 hours, with the work day beginning at zero-hundred hours and ending at 2400 hours. The normal working hours are from 0700 hours to 1600 hours, with an hour off for lunch. Employees assigned to field duty or placed in charge of a specific area of operation may have variations in their working hours, if approved by the General Manager or Assistant General Manager.

Supervisors may make changes in employee work schedules on a temporary or permanent basis as deemed necessary.

The Authority expects all personnel placed in executive, management, or professional classifications to be responsible for proper scheduling of his or her time in that the routine scheduled duties may be accomplished during normal working hours, on a priority-type basis. If assigned duties cannot be accomplished during normal working hours, the supervisor should be consulted for assistance in adjustment of those responsibilities. During periods of peak demand, deadlines, or emergency situations, all personnel are expected to carry out the performance of their assigned duties with due diligence and without regard to the normal working hours' provision.



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The provision for the use of compensatory time to assist during such periods of peak operations or an emergency is provided by the Authority at the discretion of the supervisor. All compensatory time charges shall first be authorized by the supervisor prior to initiation. Failure to take a designated break or lunch period shall not constitute the accumulation of compensatory time. Refer to the Compensatory Time Section for detailed procedures.

### **1.3.2 Authorized Breaks**

A fifteen-minute break may be scheduled in the morning and in the afternoon. Break times should be designated by the supervisor to fit the needs of an employee's duties and should not impair overall unit efficiency.

### **1.3.3 Tardiness and Attention to Duty**

All employees are expected to report to work on time and be prepared for duty. Tardiness may result in costly and needless delays in the functioning of the Authority. If an employee realizes that he will be late for work due to circumstances that are unavoidable, the supervisor should always be notified prior to the scheduled start time. Repeated failure to arrive for work on time will result in lowered performance evaluation scores, and the employee may be subject to discipline or termination.

### **1.3.4 Absences**

Any anticipated absence from duty must have prior approval of the supervisor. Absence for any reason requires the completion of an approved leave form available from the supervisor or the office. Absence from work other than by specific grant will be without pay. Habitual absenteeism, including the above average use of available sick leave, or being absent without permission, could adversely affect an employee's evaluation and is grounds for discipline or termination. An absence of three days or more without notification to an employee's supervisor will be considered as job abandonment.

### **1.3.5 Dual Employment**

An employee of the Authority who desires to seek employment in other work while maintaining his or her position at the Authority must meet certain requirements:

- a. The employee must not be employed in a position at the Authority which requires him or her to be "on call" during times other than his or her normal work hours.
- b. The employee's additional employment must not be a conflict of interest to the Authority, or in any way adversely affect his or her duties at the Authority.
- c. Notification and permission must be received from his or her supervisor and the General Manager, and placed in his or her personnel file.



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### **1.3.6 Personal Business**

The conducting of personal business during working hours is prohibited. If it is necessary to take care of personal business during duty hours, the employee should conduct the business on breaks or during their lunch period, or contact their supervisor for suitable leave arrangements.

### **1.3.7 Visiting**

Visiting during working hours to other offices, for other than business reasons is prohibited. Social visits should be reserved for breaks or the lunch hour. If friends or relatives visit during working hours, please ensure that the visit is brief.

### **1.3.8 Communications and Computer Usage**

The Authority provides a variety of communications technology and computerized equipment and services both internally to all division and department personnel and externally to other agencies and the public. This technology is provided to employees by the Authority's Department of Information Resources (DIR). Employees engaged in the use of the telephone, mobile telephone, internet, e-mail services, facsimile, two-way radio equipment, or computer equipment as part of their job shall be required to observe the rules and regulations governing the type of equipment or service, observe good ethical business practices, and the adhere to the policies, licenses, or use agreements assigned to each. Use of these services and attendant equipment is an important method of communication and means of managing information for this agency and the public. Technology shall be utilized solely for the purpose for which it was intended, and within the scope of the Authority's authorized business activities. All employees engaged in the use of communications technology or computerized equipment or services shall adhere to the following general rules applicable to each.

- a. The Authority shall not tolerate the accessing, transmitting, storing, displaying or requesting of obscene, pornographic, erotic, profane, racist, sexist, abusive, or other offensive material via any mode of communication.
- b. Personnel shall not modify, change, or install personal equipment or software to any communications or computer equipment belonging to the Authority without approval from the DIR IT Systems Administrator or the General Manager.
- c. All communications technology and computer services provided to personnel will be monitored, and accounts will be audited by DIR personnel to prevent willful abuse of the privileges.
- d. Employee communications on Authority systems are not private. All data created on the Authority's system remains the property of the Authority.



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- e. Data security is imperative. Employees must safeguard their logon ID and passwords from disclosure to any person except DIR personnel and must utilize their individual ID password only. Each employee will be responsible for all activity conducted under their logon ID and must report any known or suspected compromise of their ID to DIR personnel immediately. All passwords created for access to work related systems outside the Authority must be submitted to the IT Systems Administrator for filing in a secure master log.
- f. Cell phones are provided to personnel in specific classified positions or who are located in remote areas. Authority issued cell phones are for the use of conducting Authority business or for emergencies only. The use of personal cell phones is not allowed, except on breaks or during the lunch period except for emergencies. The General Manager will determine the scope of usage for Authority-issued cell phones.
  - 1. Users must adhere to all applicable Authority policies and procedures, and federal and state laws and regulations regarding the use of mobile devices while driving, and shall not read or send text messages while driving.
  - 2. All Authority Cell Phones are to be used by the assigned Device User only. Individual assigned Cell Phones are not to be given to another employee.
  - 3. Authority-owned mobile devices (including the applications and software residing or stored on the device) are the property of the Authority and must be treated, used, and safeguarded as such. If the user damages or loses an Authority-owned mobile device, the user must notify the user's manager and the IT manager immediately.
  - 4. The Authority will pay for a replacement device once per 12-month period. If the user's device is lost, broken, or stolen more than once in a 12-month period, the user may be subject to appropriate disciplinary, legal, or remedial action.
  - 5. Specific configuration settings shall be defined for Authority cell phones and are not alterable by device users. Users shall not "jailbreak" any Authority Device.
  - 6. Staff shall use Authority server and email systems when sending or receiving Authority data.
  - 7. All devices are to be located with the user and managed by the user at all times. Authority-owned mobile devices will have location services enabled at all times.
  - 8. Devices should be locked when not in use, with encryption enabled.



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9. Annual security training is provided to users of mobile devices. The content and form of that training shall be decided by the IT Systems Administrator. Periodic security reminders may be used to reinforce mobile device security procedures.
10. There shall be no expectation of privacy, anonymity, or confidentiality regarding any of the user's activities and the data stored or residing on the Authority-owned mobile device.
11. Users who violate or otherwise fail to adhere to these cell phone and mobile device administrative policies or procedures may be subject to appropriate legal, disciplinary or remedial action, up to and including immediate removal of any Authority IT resource, and suspension, or termination of the offending employee.

### **1.3.9 Gifts, Contributions, and Bartering**

An officer or employee shall not accept, solicit, or provide any gift, favor, or services that might be construed as influencing the discharge of his or her duties. The Authority shall not disperse its funds for the purpose of providing a contribution or donation to any public or private organization, whether for-profit or non-profit.

### **1.3.10 Motor Vehicles and Equipment**

An employee who has an Authority-owned vehicle assigned, either on a temporary or permanent basis, shall ensure the proper authority expenditures for the care, upkeep, and repair of said vehicle.

The Authority expects each motor vehicle operator to use reasonable and proper care when driving, and to observe the following basic guidelines:

- a. Obey all traffic laws.
- b. Report any accident to the supervisor as soon as possible.
- c. Abstain from the use of intoxicants, illegal drugs, or the use of other stimulants. This is to include the transporting of same.
- d. Do not add or remove any equipment to or from vehicle without prior approval from the supervisor.
- e. Keep vehicle clean, presentable, and in good repair per vehicle manufacturer guidelines.





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- f. No employee shall use the vehicle in connection with any business or personal gain other than its original intent by the Authority.
- g. No vehicle shall be mechanically or otherwise abused.
- h. The vehicle is to be operated for the business activities of the Authority only, and in the territory to which it is assigned. Any deviation must have prior approval of the supervisor.
- i. A monthly report of use and expenses must be completed and filed within five days of the month ending. The report must include beginning and ending odometer readings, all purchase tickets for gas, oil, and repairs received during the reporting month. A total of mileage, expense, fuel used, and miles per gallon must be computed.
- j. A routine maintenance log shall be provided to each employee who operates a vehicle. The log must be recorded daily and retained in the vehicle for inspection at all times.
- k. Authority vehicles shall be operated in a safe manner. The use of headphones, texting, reading email, etc., while driving is forbidden.
- l. Employees who have Authority-owned vehicles assigned to them as a Benefit-In-Kind (BIK), may use the vehicle for personal use and are allowed to have non-Authority employees as occupants. BIK vehicles cannot be used in a private business or to obtain personal gain.

### **1.3.11 Business Credit Cards and Charge Accounts**

The Authority shall provide each employee assigned a vehicle a business credit card in which to purchase gas. Any purchase other than normal use must be approved by the supervisor. The vehicle unit and license number must appear on all purchase tickets. Card numbers and type must be properly recorded with the main office, and any lost, stolen, or damaged card must be reported to the supervisor immediately for cancellation. Willful misuse of a business credit card will be grounds for discipline or termination.

The Authority shall provide business credit cards to select staff members to pay for incidental vehicle expenses, business expenses, conferences and training sessions or travel deemed necessary for Authority operations, and for purchases of miscellaneous items used in the course of business at establishments where the Authority does not have an existing revolving charge account. Card numbers must be properly recorded by the Controller. Any lost, stolen or damaged card must be reported to the Controller immediately for cancellation. Willful misuse of a debit/credit card will be grounds for discipline or termination.





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The Authority shall provide charge accounts for operating purposes at various businesses. Care shall be taken that excessive spending of Authority funds does not increase the cost of operation and create waste. Abuse or carelessness will result in the ultimate dismissal of any employee found guilty of abusing this privilege.

- a. All invoices must bear the signature of the employee and a description identifying the purpose for which materials were purchased. This is mandatory.
- b. Any obligation in excess of \$200.00 must have prior approval from the employee's supervisor. All purchases must be recorded on an approved purchase voucher or on an administrative expense report, except in emergency situations.

### **1.3.12 Historically Underutilized Businesses**

The Authority shall endeavor to conduct its business with historically underutilized businesses (HUBs) whenever possible.

### **1.3.13 General Travel for Classified Personnel**

For the purpose of clarification, business travel expense shall apply to any mode of transportation not furnished by the Authority and shall include meals, lodging, and miscellaneous out-of-pocket expenses of the classified employee only. This does not include alcoholic beverages.

### **1.3.14 Authorized Reimbursements for Classified Personnel**

The Authority shall provide reimbursement for all reasonable travel expenses incurred by classified personnel while in the performance of designated business activities. Expenses will be reimbursed in accordance with the Texas Comptroller of Public Accounts Travel Reimbursement Rates. Reimbursement requests must be submitted on an approved expense voucher to the immediate supervisor for approval and payment will be authorized by the General Manager. All vouchers presented for reimbursement must include a valid receipt to substantiate each expense claimed for reimbursement.

### **1.3.15 General Travel for Board of Directors and Key Officials**

The following are guidelines for payment of director fees, and reimbursement of the travel expenses that members of the Board of Directors and Key Officials incur in carrying out their responsibilities of Authority official business. This does not include alcoholic beverages or the expenses of a spouse.

In accordance with Section 49.060 of the Texas Water Code, a director is entitled to receive fees of office of not more than \$150 a day for each day the director actually spends performing the duties of a director. In this subsection, "performing the duties of a director" means substantive performance of the management or business of the district, including participation in board and committee meetings and other activities involving the substantive



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deliberation of district business and in pertinent educational programs. The phrase does not include routine or ministerial activities, such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time.

Travel expenses for reimbursement:

A Director can only be reimbursed for “actual” expenses—meaning the use of a per diem is not authorized. In accordance with Section 49.060 of the Texas Water code the statute provides that the expenses must be “reasonably and necessarily incurred.” The Board has the authority to determine whether expenses are reasonable and necessary and should be approved for reimbursement. Only actual expenses will be reimbursed. A Director must submit receipts to prove and establish the amount of the actual expenses requested for reimbursement for the Directors expenses only and should be on a receipt separate from other expenses.

### **1.3.16 Authorized Transportation for Classified Personnel, Board of Directors and Key Officials**

Directors and classified personnel of the Authority using their personal automobile or private aircraft on authorized official business may be reimbursed at the prevailing rates per mile as established by the Texas Legislature and published by the Texas Comptroller of Public Accounts. Classified personnel and directors traveling by rented or public conveyance on official business may be reimbursed for the actual transportation cost, provided the fare is limited to the next lowest available rate below first class. Expenses for transportation to and from airports where commercial air transportation is not available may be reimbursed to classified personnel and directors in addition to the cost of the normal air fare (excluding first class).

### **1.3.17 Authorized Lodging for Classified Personnel, Board of Directors and Key Officials**

Lodging shall be reimbursable as an actual expense when it is directly associated with an official business event of the Authority. The lodging benefit may be utilized immediately before, during, and immediately after an official business event providing the classified employee or director is at least seventy-five miles from his or her headquarters, and his or her presence is required at that location the following day. This is to include continuing education programs sponsored by the Authority.

All anticipated expenditures shall be authorized by the supervisor or General Manager prior to confirming any reservations. Board of Directors will coordinate with the Executive Assistant on all lodging reservations. All advanced reservations shall be made through a vendor honoring governmental rates, where available.



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### **1.3.18 General Attitude**

One of the most essential attributes on any job with the Authority is the general attitude expressed toward the public, the assignment, and other employees, together with the ability to understand and follow instructions in a team-like manner. An employee's basic attitude affects all those encountered. Each employee shall do his or her part in order to provide a conducive atmosphere in which to work. All employees are expected to conduct themselves with the best interest of the Authority and public in mind, while adhering to the guidelines and procedures set forth by the Authority's General Policy. Opportunities for advancement will depend greatly upon an employee's expressed attitude.

### **1.3.19 Reports**

The Authority is responsible for the operation of all its activities first to the Directors, to other state agencies, and to the public. The filing of reports is necessary for the proper operation of the Authority. As an employee, it is essential that accurate, informative, and punctual reports be filed according to various responsibilities. Supervisors will instruct employees as to the proper procedures in compiling and punctual filing of any reports that may be required.

### **1.3.20 Payroll Intervals**

The Authority authorizes payment of the payroll twice per month. All classified employees shall complete the *Authorization Agreement for Direct Deposit* with the required accompanying documentation to be properly set up at the employee's bank for all payroll checks to be directly deposited into the bank account so selected by the employee. Acknowledgment of the direct deposits is issued on the fifteenth and last day of each month. If those dates fall on the weekend or a scheduled holiday, the direct deposits will be issued to the bank on the day immediately preceding the weekend or holiday.

### **1.3.21 Payroll Deductions**

Federal employee withholding and social security contributions will be deducted automatically each pay period. The amount of each contribution or deduction will be made in accordance with the current rates in effect, and will be calculated on the gross earnings. Group insurance, and other authorized deductions may be made from gross payroll at the employee's option. Any deductions other than the described mandatory deductions must be approved by the Controller.

### **1.3.22 Retirement Plans**

All classified employees of the Authority who receive compensation for personnel services by a certified payroll warrant shall participate in the Texas County and District Retirement System (TCDRS). The contribution is calculated at the rate of seven percent (7%) of the employee's gross salary, and is matched 100% by the Authority.



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The contributed funds are held by TCDRS, and the employee will receive a statement of his or her deposits and interest earnings annually. Participating employees shall be deemed vested after ten consecutive years of service to the Authority. Retirement eligibility is determined by the "Rule of 80", where the sum of the employee's age and tenure must total 80 years, or by the employee reaching 30 years of service, or the employee reaching the age of 60 with 10 years of service. The total retirement benefit is 180% of the total contribution amount in the employees account.

Should an employee leave the Authority before attaining retirement criteria, the employee may only receive the total employee's contribution plus accrued interest earned.

The Authority also offers a 457 deferred compensation plan from Security Benefit. This plan is strictly voluntary and is offered upon employment. Additionally, enrollment and changes to the plan are allowed during open enrollment, which is the first two weeks of each quarter during the calendar year. The Authority does not contribute to this plan nor does it manage the plan. All investment changes are strictly between the employee and the Plan's representative. Additional information on the plan options can be obtained by request.

The General Manager and senior management shall prepare for future retirements and workforce changes by ensuring position classifications are reviewed or updated annually, and by making succession plans for key staff and personnel.

### **1.3.23 Medical Insurance**

Classified full time employees (FTEs) will be covered under a group medical insurance and dental program, if available, following two full months of employment. Each FTE shall be provided a current schedule of benefits and claim procedures at the time of employment. It is the employee's responsibility to ensure all eligible claims are filed with the insurance company. FTEs may elect to carry their dependents under the same group insurance program at the rate adopted by the Authority. Dependent coverage for a FTE is also available following two full months of employment. Other supplemental coverages may be available on a voluntary basis.

An employee who has met the retirement criteria listed in Section 1.3.22, is under the age of 65, and elects to retire may join a Pre Sixty-Five Retiree Health Plan, if offered by the current health insurance carrier at the time of retirement, until the retiree reaches the age of 65 years or becomes enrolled in any other type of medical insurance such as Medicare, whichever occurs first. The cost of the Pre Sixty-Five Health Insurance Plan will be 100% of the retiree's responsibility. This entitlement is totally dependent upon the insurance carrier's policy toward retirees. Only employees who separate from the Authority through retirement are eligible to participate. Terminated or voluntary resignations are not eligible. An employee who separates employment under any condition will be provided the opportunity to retain all or part of the group insurance at his or her own expense and at the Authority's current rate for a period not to exceed eighteen (18) months.



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Under certain circumstances, an additional six (6) months extension may be granted to qualified applicants under the Consolidated Omnibus Budget Reconciliation Act of 1985.

### **1.3.24 Vacation Leave**

All classified full-time employees shall accrue paid vacation leave at the rate of one (1) day per month (8 hours) for each month of active employment up to a maximum of twelve (12) days (96 hours) per calendar year. Whenever possible, an employee's preference to vacation leave will be granted as long as adequate personnel are available to carry on the duties of the Authority.

Should employment terminate, all unused vacation leave accrued will be paid the employee at their current salary rate up to a maximum of fifteen (15) days (120 hours). A minimum of fifteen (15) days (120 hours) of combined actual on-the-job work, used vacation time, used personal time, or Authority-authorized emergency office closures qualifies for one (1) day (8 hours) of accrued vacation leave benefits. Used Sick time or Authority Holidays do not count toward vacation benefit accrual.

- a. Vacation leave with pay may not be granted until an employee has had continuous employment with the Authority for six months, although credit will be accrued during that time.
- b. An employee may not take nor be paid for more than fifteen (15) days (120 hours) during any single calendar year.
- c. An employee may transfer unused vacation time from one calendar year to the next, providing the total accrued time does not exceed fifteen (15) days (120 hours) total.
- d. Vacation leave requests in excess of one day shall be submitted to the supervisor at least two weeks in advance.
- e. The supervisor may recommend adjustments to vacation leave periods or group leave schedules as necessary to prevent work load conflicts.

### **1.3.25 Standard Sick Leave**

All full time employees (FTEs) shall be provided paid sick leave at the rate of one (1) day (8 hours) per month for each month of active employment up to a maximum of ninety (90) days total under the following stipulations. Willful abuse of sick leave privileges shall be grounds for immediate dismissal. Should employment terminate for any reason, no compensation shall be paid for accrued sick leave. A minimum of fifteen (15) days (120 hours) of combined actual on-the-job work, used vacation time, used personal time, or Authority-authorized emergency office closures qualifies for one (1) day (8 hours) of accrued sick leave benefits.



## CHAPTER 1

Used Sick leave or Authority Holidays do not count toward sick leave benefit accrual.

- a. Sick leave shall be granted when actual sickness, injury, pregnancy, and/or disabled confinement prevent the employee's performance of duty. However, sick leave with pay may not be granted until an employee has completed three months of continuous employment.
- b. Sick leave may be granted to make a scheduled visit to a physician or dentist, when such visits are for receiving medical or dental services.
- c. Sick leave may also be taken when a member of his or her immediate family is actually ill. Immediate family shall be defined as an employee's spouse, child, or any other relative who resides in the same household which the employee is listed to be the primary care giver. A complete explanation of facts must be provided the Authority in writing, including the name and relationship of the employee's relative.
- d. Should the absence be three working days or longer, a written statement must be provided from the attending physician with specific instructions regarding returning duty status (light or normal duty). If other than normal, then detailed work restrictions must be provided by the physician.
- e. Leave for maternity purposes under the paid sick leave provision shall not exceed six weeks from duty without a written statement from the attending physician explaining the complications requiring the extended leave. Any extended paid or unpaid leave for maternity reasons shall be subject to approval of the General Manager.
- f. An explanation for any absences charged to sick leave must be submitted to the supervisor in writing and signed by the applicant if leave with pay is expected.

### **1.3.26 CATASTROPHIC SICK LEAVE POOL**

The Authority provides a Catastrophic Sick Leave Pool (CSLP) to benefit classified employees who may suffer a catastrophic injury or illness. The Authority's Board of Directors designated the General Manager as the Pool Administrator.

A qualified applicant may be issued an amount equal to one (1) day per month of active employment up to a maximum of one-third of the total amount in the pool or ninety (90) days, whichever is less.

- a. The CSLP is dependent upon voluntary contributions from the classified employees, who may contribute up to a maximum of five (5) days per calendar year from his or her accumulated standard sick leave as described in 1.3.25.
- b. An employee may make application to the Pool Administrator when his or her regular sick and vacation leave has been exhausted. A qualified applicant may not utilize more than one-third of the total amount of time in the pool or ninety (90) days, whichever is less. All applications and transfers of pool sick leave are subject to approval of the Pool Administrator.





## CHAPTER 1

- c. Should employment terminate for any reason; no compensation shall be paid for contributed sick leave. Each employee shall be provided a pamphlet explaining application procedures and benefits at the time of employment or upon request thereafter.

### **1.3.27 EMERGENCY LEAVE**

In case of death in the immediate family of a regular employee, the employee may be granted a leave of absence with pay for a period not to exceed three (3) working days. Immediate family is defined as spouse and children or other relative who is related within the second degree of consanguinity (blood relative) or affinity (related by marriage) to the employee. (Refer to 1.3.37). The amount of leave granted up to the three (3) days maximum will be based on the relationship level of the employee – first degree up to three (3) days, second degree up to two (2) days. Any emergency leave requests shall be submitted in writing and subject to approval by the General Manager. Should employment terminate, no compensation shall be paid for emergency leave.

### **1.3.28 FAMILY AND MEDICAL LEAVE ACT**

The Authority offers unpaid leave under the Family and Medical Leave Act of 1993 (FMLA). An eligible employee with a FMLA qualifying reason is entitled to receive up to 12 weeks of FMLA leave within a single 12-month period. Information on FMLA is below:

Leave Entitlements - Eligible employees who work for a covered employer can take up to 12 weeks of unpaid, job-protected leave in a 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child (leave must be taken within one year of the child's birth or placement);
- To care for the employee's spouse, child, or parent who has a qualifying serious health condition;
- For the employee's own qualifying serious health condition that makes the employee unable to perform the employee's job;
- For qualifying exigencies related to the foreign deployment of a military member who is the employee's spouse, child, or parent.

An eligible employee who is a covered service member's spouse, child, parent, or next of kin may also take up to 26 weeks of FMLA leave in a single 12-month period to care for the service member with a serious injury or illness.

An employee does not need to use leave in one block. When it is medically necessary or otherwise permitted, employees may take leave intermittently or on a reduced schedule.

Employees may choose, or an employer may require, use of accrued paid leave while taking FMLA leave. If an employee substitutes accrued paid leave for FMLA leave, the employee must comply with the employer's normal paid leave policies.



## CHAPTER 1

Benefits and Protections - While employees are on FMLA leave, employers must continue health insurance coverage as if the employees were not on leave. Upon return from FMLA leave, most employees must be restored to the same job or one nearly identical to it with equivalent pay, benefits, and other employment terms and conditions. An employer may not interfere with an individual's FMLA rights or retaliate against someone for using or trying to use FMLA leave, opposing any practice made unlawful by the FMLA, or being involved in any proceeding under or related to the FMLA.

Eligibility Requirements - An employee who works for a covered employer must meet three criteria in order to be eligible for FMLA leave. The employee must:

- Have worked for the employer for at least 12 months;
- Have at least 1,250 hours of service in the 12 months before taking leave;\* and
- Work at a location where the employer has at least 50 employees within 75 miles of the employee's worksite.

*\*Special "hours of service" requirements apply to airline flight crew employees.*

Requesting Leave - Generally, employees must give 30-days' advance notice of the need for FMLA leave. If it is not possible to give 30-days' notice, an employee must notify the employer as soon as possible and, generally, follow the employer's usual procedures.

Employees do not have to share a medical diagnosis, but must provide enough information to the employer so it can determine if the leave qualifies for FMLA protection. Sufficient information could include informing an employer that the employee is or will be unable to perform his or her job functions, that a family member cannot perform daily activities, or that hospitalization or continuing medical treatment is necessary. Employees must inform the employer if the need for leave is for a reason for which FMLA leave was previously taken or certified.

Employers can require a certification or periodic recertification supporting the need for leave. If the employer determines that the certification is incomplete, it must provide a written notice indicating what additional information is required.

Employer Responsibilities - Once an employer becomes aware that an employee's need for leave is for a reason that may qualify under the FMLA, the employer must notify the employee if he or she is eligible for FMLA leave and, if eligible, must also provide a notice of rights and responsibilities under the FMLA. If the employee is not eligible, the employer must provide a reason for ineligibility.

Employers must notify its employees if leave will be designated as FMLA leave, and if so, how much leave will be designated as FMLA leave.





## **CHAPTER 1**

Enforcement - Employees may file a complaint with the U.S. Department of Labor, Wage and Hour Division, or may bring a private lawsuit against an employer. The FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

For additional information or to file a complaint, call 1-866-487-9243 TTY: 1-877-889-5627, or go to the following link: [www.dol.gov/whd](http://www.dol.gov/whd).

### **1.3.29 COMPENSATORY TIME**

Compensatory time shall be granted to a non-exempt classified employee in lieu of actual payment for overtime worked at a rate of 1½ hours for each hour actually worked over forty (40) hours. This does not include any paid leave or holidays not actually worked.

Employees must use compensatory time during the month in which it is earned. No compensatory time will be carried forward without approval from their Supervisor, as approved by the Assistant General Manager and/or the General Manager.

The compensatory time and leave will be subject to the supervisor's approval like any other leave the Authority provides. In the event an employee is unable to take all accumulated compensatory time off during the available period, all unused compensatory time will be paid during the month following the month in which it was earned. Payment shall be made at the regular hourly rate, since it is accumulated at one and one half (1½) times the actual hours worked.

Each employee is urged to make an effort to take all compensatory time off as soon as practical after the time is accrued.

Should an employee terminate for any reason, all unused compensatory time will be paid to the employee. All employees classified in administrative, supervisory, or professional groups (that is "exempt") will not accumulate compensatory time.

### **1.3.30 OTHER LEAVE**

The Authority provides other paid and unpaid leave privileges for certain circumstances such as jury duty, selected legal holidays, active military duty, and inclement weather.

Any request for unpaid leave shall be subject to approval of the General Manager, depletion of all accumulated vacation, sick, personal days, and/or compensatory time, and submission of a written statement describing details of the request.

Below are specific instructions for Other Leave due to holidays and inclement weather.



## **CHAPTER 1**

### **a. Holiday Leave**

1. The Authority shall observe thirteen (13) legal holidays per year. The scheduled holidays are Columbus Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, Christmas Day, New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Emancipation Day, Independence Day, and Labor Day subject to 1.3.30(c). A current schedule of the actual dates to be observed will be provided each employee on around October 1<sup>st</sup> of each fiscal year.
2. An employee must work eight (8) hours the day before and work eight (8) hours the day after each scheduled holiday to be paid for holiday leave taken. Vacation leave or personal time, which has been approved prior to the scheduled holiday under proper notice of absence, will satisfy the eight-hour work day requirement.
3. Should an employee miss the day before or the day after a holiday, and it was not preauthorized vacation leave, then one (1) day of vacation leave, personal leave or unpaid leave will be required to make up for the holiday.
4. The General Manager shall have the option of designating an alternate holiday should a scheduled holiday fall on a weekend or conflict with a priority business function of the Authority.

### **b. Inclement Weather**

The default position of the Authority is that we are open for business, and all employees are essential and should report to work, unless otherwise instructed. It is a good practice for all staff to monitor news and weather reporting apps to determine their road conditions. It is expected that in times of road advisory warnings that staff will allow for extra travel time in their daily commute when reporting to work. Occasionally, certain conditions such as ice, heavy snow, power outages, etc. will require changes in the daily operations schedule. Employees will be notified should the General Manager or Assistant General Manager declare an event, and the Authority's regular schedule of operations changes and whether "Other Leave" will be authorized by the Authority. In case of catastrophic conditions, travel and lodging arrangements may be provided at the discretion of the General Manager.

Field Staff should ensure that they are available to their Supervisor or Department Head. Field staff should also monitor roadway conditions and stay as close to their individual base of operations as possible. Priority operations will consist of insuring that all pump stations are operational and repairing leaks, which are considered to be detrimental to the system's operation.



## **CHAPTER 1**

During extreme events, responses to individual customer problems should be limited to extreme emergencies. When traveling in extreme weather conditions, personal emergency supplies should be maintained in the vehicle.

Department Heads should be aware of their employees' status, as well as any priority functions which must be conducted during the event. Department Heads need to advise the General Manager of this information as soon as possible after the event is initiated, and keep him advised of any changes throughout the event. It will be the Department Head's responsibility to insure that all priority functions are conducted and maintained, remotely or otherwise.

In lieu of a schedule change by the General Manager, an employee may determine they cannot make it to work due to inclement or bad weather, or if they have children at home due to school closings for inclement weather. If so, the employee should contact their Department Head as they would for any other leave request. The Department Head may approve vacation time, personal time, or compensatory time to be used by the employee to offset the absence.

### Delayed Start or Early Release or Other Modifications to Operation Hours:

Any changes to work day hours announced by the General Manager or Assistant General Manager not on the approved yearly calendar are only applicable to employees who are on duty and actively working on the day declared. Any modification of hours or closure will be treated individually from any previous closure or modification of hours. Each instance is subject to the conditions set forth at that time by the General Manager or Assistant General Manager. Depending on the emergency and breadth of the conditions, closures or modification of hours may not affect all offices or areas of the Authority's service area. The General Manager or Assistant General Manager will specify which offices or locations are affected by the closure, and which employees are included. Individual instances of closure will not automatically affect all employees. To be eligible for paid time off under Other Leave on an early release day, the employee must have worked (without the benefit of leave time) all hours up to the early release. The General Manager or Assistant General Manager must approve paid Other Leave time.

#### **1.3.31 PERSONAL DAYS**

Each calendar year on the first day of January, each employee will be issued one (1) Personal Day (8 hours) for each five years of service completed, up to a maximum of eight (8) Personal Days (64 hours), with 40 years of service. An employee must have completed five full years prior to receiving his or her first Personal Day.



## **CHAPTER 1**

Personal Day leave may be utilized in lieu of any authorized leave time and may be utilized in conjunction with any other authorized leave. An employee wishing to utilize Personal Day leave is not required to provide advanced notice to his or her supervisor, unless the leave is used in conjunction with vacation or holiday leave. If advance notice is not given, each employee utilizing a Personal Day must notify the supervisor that they will not be in to work. It is the responsibility of the employee taking a Personal Day to ensure that any scheduling conflicts do not occur due to his or her unscheduled absence.

Personal Day leave used with vacation or holiday leave must conform to the notice requirements for vacation leave.

Personal Days must be utilized in the calendar year in which they were issued and may not be carried forward to the next calendar year. Upon termination of active employment for any reason, compensation for unused Personal Day leave will not be paid.

### **1.3.32 NOTICE OF ABSENCE**

Employees are expected to report to work as scheduled. In the event an employee is unable to report to work, advance notification must be made to the immediate supervisor. An employee must call or contact (text, e-mail) their immediate supervisor prior to their shift when an absence will occur. If the immediate supervisor is not available, or cannot be reached, the employee must notify another supervisor in the same Division, or a member of upper management. While it is recognized that circumstances beyond an employee's control may cause him or her to be absent or tardy, notice violations cannot be allowed.

A notice violation is any absences from or during an employee's scheduled work shift that did not meet the notice requirements. This includes: tardiness (over 15 minutes), docks, vacation, and sick leave. Three (3) calendar days will be considered the standard for notice. Sick leave, vacation, and docked absences taken in succession will be considered one violation.

Excessive (unacceptable) notice violations are generally defined as notice violations by an employee in excess of twelve (12) in a twelve (12) month period.

An employee who is absent for three or more consecutive days and requests the use of sick leave, may be required to provide a physician's statement before returning to duty and to be compensated for the absences. The employee may be offered FMLA leave after such an occurrence.

Supervisors are crucial to the fair execution of this policy. Supervisors should set the example, exercise good judgment by bringing any situation which may require special consideration to management's attention, and maintaining proper documentation for use in evaluating an employee's performance, to ensure that the attendance portion of the employee's performance evaluation is completed in a uniform manner. This documentation can also be used in the initiation of progressive discipline.



## **CHAPTER 1**

After three or more days, an employee who stops reporting to work or calling in may be considered to have abandoned their job. Management must document their attempts to contact the employee. Should this effort fail to reveal an acceptable explanation for the employee's absence, the employee will be considered voluntarily terminated.

### **1.3.33 DRESS CODE**

All employees shall dress in a suitable professional manner to the work being performed. Employees will be neat, personally clean, and wear clothing that is safe and appropriate for their assigned working environment. An employee is a representative of the Authority to the public, and should dress and maintain personal appearance appropriately. If uniforms are provided, they are to be worn while on duty and properly maintained.

The General Manager or Assistant General Manager may from time to time allow a dress down day or theme day at his or her discretion, and employees may choose to participate voluntarily or continue to meet the traditional dress code.

Due to the requirement that certain classified employees may be required to periodically wear a self-contained breathing apparatus (SCBA), full facial beards will not be allowed for employees working in those classifications. Mustaches, side burns, and goatees may be allowed for those classified employees so as long as they are well trimmed, do not reach below the employee's jaw line, and do not impede the SCBA.

### **1.3.34 GOSSIP AND CONFIDENTIALITY**

Relaying demeaning information about fellow employees, associates, or customers is an intolerable practice. Gossip is usually repetition of misinformation and is strictly prohibited. All personnel shall guard against gossip and decline to listen to it from others.

All personnel shall practice professional confidentiality regarding personnel records, utility accounts, project plans, and general funds maintained by the Authority at all times. All information shall be considered confidential unless authorized for release by the General Manager or the Authority's Public Information Officer in response to information under the Public Information Act. The willful use of demeaning gossip concerning employees or customers, or the disclosure of confidential information without a release authorization, shall be grounds for discipline or termination.

### **1.3.35 POLITICAL ACTIVITY**

Personal political beliefs will not affect employment unless they are contrary to the Constitution of the State of Texas or the United States. However, certain restrictions are placed upon any political activity as referenced in Section 1.2.2, Standards of Conduct. The supervisor should be consulted prior to engaging in any type of political campaign or voluntary political party activity to determine if there may be a possible conflict of interest.



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### 1.3.36 TERMINATION, SUSPENSION, OR DEMOTION

An employee's actions and demeanor must reflect positively upon the reputation of the State of Texas and the Red River Authority of Texas. The Authority strives for excellence in all facets of operation. The emphasis is on the employee's own responsibility for attendance, behavior, and performance. The following conditions may be just cause for termination, suspension, or demotion:

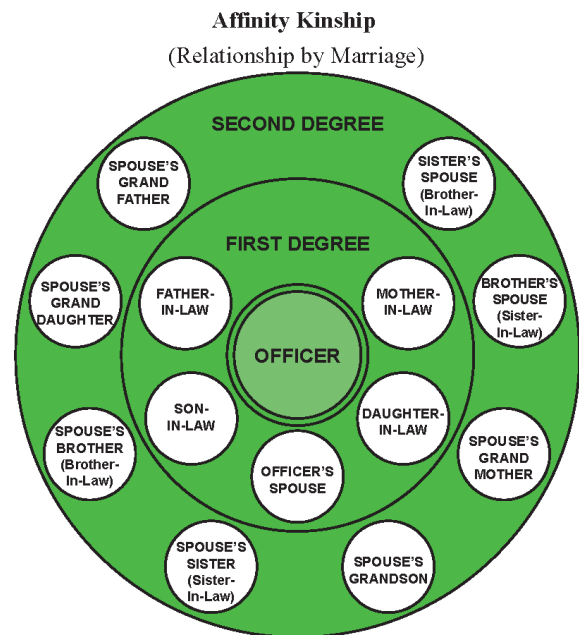
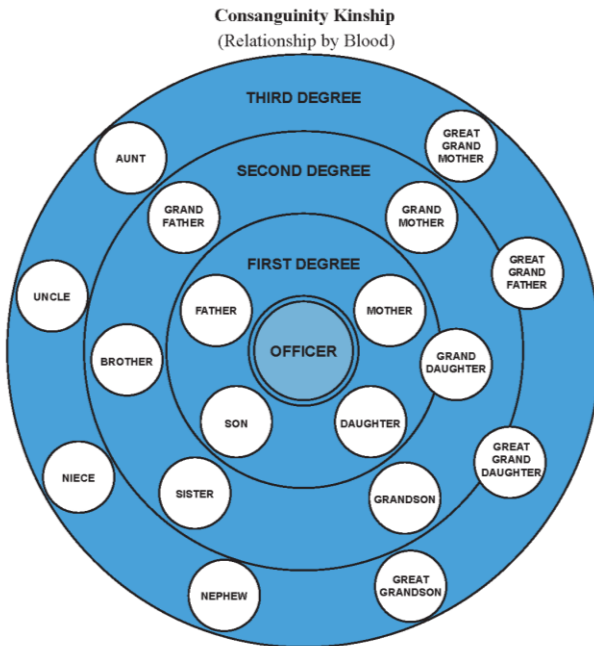
- a. Conviction of a felony or misdemeanor whether on or off duty;
- b. Violation of any official regulation, order, or failure to obey any proper direction made or given by a supervisor;
- c. Inability to perform the assigned duties enumerated on an official job description at the expected level or a temporary duty assignment so ordered by the supervisor;
- d. Being guilty of unethical conduct or any conduct unbecoming an employee of the state while on duty;
- e. Being under the influence of or use of intoxicants, illegal drugs, or other stimulants while on duty;
- f. Being incompetent or inefficient in the performance of, or dereliction of, assigned duties;
- g. Being careless or negligent with funds or property of the Authority;
- h. Failure to pay or make reasonable provisions for payment of personal debts;
- i. Using, threatening to use, or attempting to use, personal or political influence in securing a promotion, leave of absence, transfer, or change in the character of work;
- j. Threatening or abusive language or actions while on duty;
- k. Malingering or abuse of any leave privileges;
- l. Willfully making or signing a false statement, or falsifying an Authority document in the performance of duties;
- m. Inability to work harmoniously with the public and other employees, or consistently projecting a negative or hostile attitude in the performance of duties;
- n. Adverse publicity as a result of gross immorality;
- o. A direct violation of any section to the Authority's General Policy, now in effect or hereinafter adopted.
- p. Excessive absenteeism, tardiness, or job abandonment.
- q. Sexual harassment of an employee or customer of the Authority
- r. Unauthorized use of Authority equipment



## CHAPTER 1

### 1.3.37 Consanguinity

Consanguinity as used in this Chapter shall be interpreted using the following charts:



## **CHAPTER 2**

### **RESEARCH AND DEVELOPMENT DIVISION**



# RESEARCH AND DEVELOPMENT DIVISION

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## **GENERAL POLICY**

### **CHAPTER 2**

#### **2.1 RESEARCH AND DEVELOPMENT DIVISION**

##### **2.1.1 INTRODUCTION**

The Authority is empowered under Article 8280-228, §14, VATCS with the responsibility of pursuing the full development and beneficial use of the natural resources within the entire watershed of the Red River Basin in Texas. This is to include, but not be limited to, pollution control, flood control, water supply development, conservation and distribution, stream bank stabilization and navigation, development of public parks and recreation, and treatment and disposal of municipal and industrial waste.

The Authority is further empowered under Article 8280-228, §19, VATCS to include investigation, planning, construction, operating, and maintaining all necessary properties, lands, rights, tenements, easements, reservoirs, dams, canals, and associated facilities which may be deemed proper for the accomplishment of the Authority's purpose. It is further authorized to enter into contracts with municipalities, districts, corporations, the United States and its agencies, the State of Texas and its agencies, the States of Oklahoma, Arkansas, and Louisiana, the confines of which are adjacent to the Red River.

##### **2.1.2 PURPOSE**

The Research and Development Division shall be an integral part of the Authority with the principal purpose of fulfilling the legislative acts as previously described.

The Research and Development Division shall initially begin any type development project to which the Authority may be engaged, including but not limited to, other divisions within the Authority's structure, and will conduct its activities in accordance with the guidelines set out in this chapter of the general policy.

The General Manager shall be responsible for accomplishment of the basic objectives as outlined herein and solely responsible to the Board of Directors for its administration.

##### **2.1.3 FUNDING AND FINANCING**

The Research and Development Division shall be funded through annual budgetary appropriations through the General Division sufficient to complete any preliminary reconnaissance reports detailing the specific requirements of an entity's request and recommendations as to how the Authority proposes to assist.



## **CHAPTER 2**

Any additional involvement on the part of the Authority shall be subject to approval of the Board of Directors and consummation of a contract between the entity requesting assistance and the Authority.

### **2.1.4 PROJECT INITIATION**

Any entity within the legal jurisdiction of the Authority may request assistance within the scope of the Enabling Legislation (Article 8280-228, VATCS). A request for assistance must be made in writing by the governing board, commission, or council stating the specific need or problem that requires assistance on the part of the Authority. The Authority shall respond to the entity's request by conducting a reconnaissance study to determine alternative solutions and report its findings to the Board of Directors and the entity's governing body.

## **2.2 SCOPE OF SERVICES**

### **2.2.1 COMPUTER AIDED DESIGN AND DRAFTING**

The Authority may employ the computer aided design and drafting (CADD) facilities to any other division within the Authority. The CADD services shall be limited to the preparation of facility plans and drawings, lot plans and plats, and digital mapping as may be necessary to meet the general planning and development needs of the Authority or any public entities within the basin.

All charges for services shall be based on actual time and will be charged in compliance with the Authority's currently approved Indirect Cost Accounting Plan, including, personnel time, computer time, and any materials utilized to complete an assigned task. Any outside consultant charges will be the responsibility of the contracting entity in accordance with Section 2.3.3. Each task shall be detailed on a work order approved by the General Manager.

### **2.2.2 GRAPHIC INFORMATION SYSTEM**

A graphic information system shall be developed and maintained for the Authority to provide data management and analysis of facilities within the Utility Division and water quality monitoring and planning within the Environmental Services Division.

### **2.2.3 PROJECT PLANNING**

The Authority may engage in planning efforts as prescribed in Article 8280-228, §14 (a-k), VATCS for the study, protection, conservation, management, and development of the water resources of the Red River Basin. All formal plans prepared by the Authority shall be for the benefit of the public within its legal jurisdiction and conform to all state, regional, and area-wide planning efforts.



## **CHAPTER 2**

### **2.2.4 PROJECT DEVELOPMENT**

The Authority shall endeavor to promote the organized development and management of the water resources of the watershed within the framework of the Master Plan for the Red River Basin prepared under Article 8280-228 §14 (k), VATCS. Any project considered for development shall comply with the following objectives:

- a. Be required by the public in order to promote and/or improve the quality of life;
- b. Determined to be economically feasible and beneficial to the needs of the public who may be designated as participants to provide financial support for the debt, operation, and maintenance of the project over its useful life;
- c. Be determined to be technically feasible and environmentally sound to support an equitable balance between mankind and the natural habitat;
- d. Utilize, conserve, protect, or reclaim the water resources within the confines of the Red River Basin.

### **2.2.5 PROJECT MANAGEMENT**

The Authority may act as a management agency under a specific contract agreement on behalf of the State of Texas, the adjacent states of Oklahoma, Arkansas, and Louisiana, or any local public entity desiring services to be provided by the Authority for the purpose of project planning, development, permitting, or operations and maintenance of facilities as designated under Article 8280-228, §16, VATCS.

## **2.3 CONSULTANTS**

### **2.3.1 REQUEST FOR PROPOSALS**

The Authority may request the services of professional consultants to assist the Authority with the design, development, and construction phases of a project or to conduct studies relevant to a plan or project. Consultant Services shall be selected based on qualifications and expertise required for the obligation and conducted pursuant to the Professional Services Procurement Act as defined in Chapter 2254 of the Texas Government Code and/or TCEQ Rule 292.13.

A request for proposals (RFP) shall be prepared for each project, plan, or study which will require the services of a professional consultant and is estimated to cost in excess of \$25,000. The RFP shall be distributed among qualified consultants having experience in the particular field of expertise or discipline required and licensed to practice in the State of Texas.



## **CHAPTER 2**

The request for proposals shall contain as a minimum the following general information:

- a. Description of the proposed project requiring the services of a professional consultant;
- b. Definitive goals and objectives of the project;
- c. A general task outline describing the actual work plan to be accomplished for the project; and
- d. Critical elements of the project, such as time frame, budgetary limitations, environmental, and permitting.

### **2.3.2 CONSULTANT SERVICES**

The Authority shall at all times maintain a pre-qualified list of competent professional consultants with a current qualifications statement and experience record to each within the following disciplines. Refer to the Consultant List contained in Appendix G for details.

- a. Civil Engineering with experience in water resource protection, planning, development, design, and management;
- b. Environmental Engineering with experience in water quality planning, monitoring, analysis, and environmental sciences;
- c. Legal Practice with experience in public law, environmental law, water rights permitting, and public bond financing; and
- d. Public Finance with experience in governmental accounting, investment management, bond issuance, and financial auditing and reporting.

### **2.3.3 SERVICE CONTRACTS**

For the purpose of the Research and Development Division, there are five (5) basic contractual shells to be used in conjunction with a consultant, local entity, or contractor. They are as follows:

- a. Contract Agreement designating the Authority as Management Agency for the local entity;
- b. Contract Agreement for Operation and Maintenance of a local entity's water or wastewater facilities;



## **CHAPTER 2**

- c. Contract Agreement for using the Authority's bonding power to finance the development of a public works project;
- d. Contract Agreement for Professional Consultants; and
- e. Contract Agreement for Contractors.

All contracts are to be executed by the Authority and any other public body or professional consultant or contractor and shall bear approval from the Authority's Board of Directors.

The General Manager or his designee shall supervise the services performed under any contract which constitutes the periodical disbursement of Authority funds and he or his designee shall review and report to the Board of Directors and/or local entity the progress of the work being performed, associated costs, and overall compliance with the terms and conditions of the approved contract.

## **2.4 TECHNICAL STUDIES AND REPORTS**

### **2.4.1 MASTER PLAN MAINTENANCE**

Pursuant to Article 8280-228, §14 (k), VATCS, the Authority has prepared a Master Plan for the Red River Basin and may periodically update same to evaluate the specific water resource needs of all entities and communities within the confines of the Authority's boundaries.

The Research and Development Division shall be responsible for the perpetuation of the Master Plan and periodical survey of entity needs throughout the legal jurisdiction of the Authority.

### **2.4.2 RECONNAISSANCE STUDIES**

The Authority may conduct a reconnaissance study to ascertain specific data for evaluating ambient problems surrounding the proper development or management of any type public works facilities which may impact the water resources within the basin.

Alternatives must then be developed which might be sought by the Authority or municipality as to the most economical and expeditious course of action.

The objective of the reconnaissance shall be to develop a report of findings as expeditiously as possible. The report must be addressed to the subject entity under investigation, approved by the Authority's Board of Directors, and filed with the local governing agency relevant to jurisdiction.

The report shall include, but not be limited to, a detailed description of the following subject matter:



## CHAPTER 2

- a. Applicant's request for assistance or reason for the study;
- b. Investigative report describing the specific need or problem encountered or observed;
- c. Technical evaluation of the proposed project;
- d. A preliminary financial analysis of the entity;
- e. Proposed recommendation with alternatives, if possible, for a long-range solution to the identified problems; and
- f. Suggested course of action to take on the part of the entity's governing body.

The Reconnaissance Study shall be made without charge to the applicant providing no consultant or legal fees are incurred while in the performance of said investigation.

Any further study or involvement shall require a specific contract agreement between the Authority and the local entity, subject to the approval of the Authority's Board of Directors.

### **2.4.3 FEASIBILITY STUDIES**

A Feasibility Study shall be prerequisite to any type of project development which would involve the use of federal, state, or Authority funds. The Authority may commission a feasibility study for any worthwhile project within the scope of Article 8280-228, §14, VATCS under the following general conditions:

- a. In the event a feasibility study is required and so performed, the entire cost to prepare the report and presentation shall be borne by the entity requesting the report.
- b. The report, when completed and presented, shall be the property of the Authority and any participating entity.
- c. The Authority's Board of Directors shall provide final approval to any feasibility study prior to official release or proceeding further with project development.
- d. Should the project be determined to not be feasible, the project shall be terminated and considered final. Any participating entities will be required to pay the agreed fees for the completed report.
- e. Should the project be determined to be feasible, an application shall be completed, together with the plans and specifications to seek funding as outlined in the recommendation section of the report.





## **CHAPTER 2**

### **2.4.4 ENGINEERING STUDIES**

The Authority may engage the services of a consultant engineer for the preparation of facility plans and specifications of a project considered technical and economically feasible. The engineering report shall be supplemental to a feasibility study and provide the detailed plans and specifications for construction. Among other things, the engineering report shall include:

- a. A detailed site evaluation enumerating all anticipated conflicts with estimated cost impacts;
- b. Any supplemental analysis specific to the project, such as geotechnical evaluations, environmental impact assessments, and/or structural analysis;
- c. Any modeling routines required for the specific project;
- d. A detailed estimate of cost for each phase or segment of the proposed project;
- e. A complete set of draft plans and specifications; and
- f. A final set of approved plans and specifications.

### **2.4.5 SUMMARY REPORTS**

The Authority shall produce a summary report for each study or project development plan or ongoing program which requires longer than three (3) consecutive years for completion. The summary report shall be made to the Board of Directors and shall include, as a minimum:

- a. Historical background of the project, plan, or program;
- b. Scope of the project's objectives;
- c. Description of the project;
- d. Projected costs associated with each phase or option; and
- e. Conclusions of the report with recommendations for additional Board action.



## **CHAPTER 3**

# **UTILITY DIVISION**

# UTILITY DIVISION

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## **GENERAL POLICY**

### **CHAPTER 3**

#### **3.1 UTILITY DIVISION**

##### **3.1.1 INTRODUCTION**

The Authority is empowered by law (Article 8280-228, Section 19, VATCS) to develop, operate, and maintain water supply treatment and distribution systems for the beneficial use of the public within the territorial confines of the Red River Basin in Texas.

The Utility Division was established as an integral component of the Authority's operations to effectively manage and account for all utility-related activities within its legal jurisdiction. The Enabling Legislation and each bond ordinance requires that uniform rules and regulations be adopted and adhered to in an effort to assure the successful operation of each water or wastewater system. The rules and regulations as set forth herein are designed to provide general operating practices that are fair, equitable, and non-discriminatory to all participants of any utility system within the Utility Division.

The General Manager shall be responsible for administering this policy in a fair and equitable manner without deviation, except as expressly provided herein.

The Assistant General Manager or the Utility Supervisor shall be responsible for the day to day operations of all facilities, provide policy interpretation or guidance and technical assistance to all personnel engaged with system operations.

Regional Managers may be assigned to each designated region within the Utility Division to provide oversight and ensure that all personnel perform their assigned duties consistent with the professional and ethical standards of the Authority, and within the scope of the guidelines and procedures of the general policy.

District Managers shall be responsible for the uniform administration and maintenance of an assigned geographical area within the framework of this policy. The District Manager is required to reside within the boundaries of the assigned district in an area as centrally located as practical, or as approved by the General Manager. Maintenance Division personnel shall assist the District Managers with all planned system improvements, scheduled repairs, and emergency repairs. Utility Division Personnel are required to live within an approved response time area as determined by the General Manager.

##### **3.1.2 PURPOSE**

Since the Utility Division encompasses a fifteen (15) county service area, it is necessary that uniform rules and regulations be adopted that are consistent with the requirements of the Authority's Enabling Legislation and other regulatory agencies.



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The context of this policy shall conform to the TCEQ Rules and Regulations, TAC Chapters 281 and 290 – 293 for public water supply systems, TAC Chapters 305, 309, 317, and 319 for public wastewater treatment facilities, TAC Title 16 Chapter 24 Substantive Water Rules and the Uniform Plumbing Code.

These rules and regulations shall be a part of every contract for service, and in each application for service, the applicant or customer shall agree to be bound by the provisions of this policy and the service contract. No representative, agent, or employee shall have the right to change or modify any portion of this policy without the express written approval of the Board of Directors. The failure of the Board to enforce any provision of this policy shall not be a waiver of its right to do so. Should a circumstance arise which is contrary or not covered under this policy, the General Manager may provide an interim rule governing the situation until an amendment or new rule can be formally adopted by the Board of Directors.

### **3.1.3 FUNDING**

The Authority may provide all capital necessary to design, develop, and construct any public facilities necessary to meet utility service demand not provided by a local entity.

Revenues to service the Utility Division's debt and to pay all operating expenses shall be generated from user rates, fees, and charges as set by the Board of Directors. Each system within the Utility Division shall levy the uniform user rate base designed to provide for the cost of operations and adequate operational reserves, to fund system enhancements, and to recover the Authority's capital debt.

### **3.1.4 RATE METHODOLOGY, CUSTOMER NOTIFICATION AND APPEAL PROCESS**

The Board of Directors of the Authority is charged under Article 8280-228, §26 (e), VATCS with the responsibility of setting the rates for all water sold and services rendered. These rates, fees, and charges must be sufficient to pay the expenses of operations and total debt services of the Authority. The rate shall be computed on a cash basis, based on the most current audited financial model in determining cost of service. The rate base within the Utility Division shall be of the inverted demand block type and evaluated for its financial equity and water conservation effectiveness at least annually. A Comprehensive Rate Analysis will be performed before adopting rates. The adopted rate methodology shall apply to all retail and commercial customers of water systems within the Utility Division.

The Process to change rates or charges will comply with State of Texas Water Code, Title 2, Subtitle B, Chapter 13 – Water Rates and Services, and Special Districts Local Laws Code Title 6. Water and Wastewater Subtitle G. River Authorities Chapter 8510. Red River Authority of Texas, by Acts 2021, 87<sup>th</sup> Legislature, R.S., Chapter 914 (H.B) 3530), Sec. 103, effective April 1, 2023.



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Specifically, to ensure that before the Authority makes a significant rate change (adopted by the Board as >20%) to a rate or charge for the sale and use of water, affected persons are provided for an opportunity for public input. Public input must be requested with each proposed rate change based on a Comprehensive Rate analysis. The Authority will notify customers of proposed rate changes by post on the Authority's website, in an affected person's utility bills, by mail to the address of record on the utility account, and by public meetings at a minimum of three locations in the Authority's geographical service area. The notices will enable the Authority to get customer feedback on proposed rates, and help generate customer buy-in for necessary rate increases. The Authority shall comply with the provisions of the State of Texas' Water Code, Title 2, Subtitle B, Chapter 13 – Water Rates and Services, and Special Districts Local Laws Code Title 6. Water and Wastewater Subtitle G. River Authorities Chapter 8510, Red River Authority of Texas, by Acts 2021, 87<sup>th</sup> Legislature, R.S., Chapter 914 (H.B) 3530), Sec. 103, effective April 1, 2023 concerning notification of utility rate changes to rate payers.

### **3.1.4.1 NOTICE OF RIGHT TO APPEAL CHANGES TO RATES**

The Authority shall notify affected persons of their right to appeal changes to rates:

1. In written notices related to change of rates,
2. In utility bills sent out before the deadline for initiating an appeal under Chapter 13, Water Code, and
3. On the Authority's website

The notice required by Subsection 3.1.4.1 must include descriptions of:

1. The appeal process,
2. The requirements for an appeal, including the number of signatures needed on a petition, and
3. The methods available for obtaining additional information related to rates.

The Authority shall comply with the provisions of the State of Texas Water Code, Title 2, Subtitle B, Chapter 13 – Water Rates and Services, and Special Districts Local Laws Code Title 6, Water and Wastewater Subtitle G. River Authorities Chapter 8510, Red River Authority of Texas, by Acts 2021, 87<sup>th</sup> Legislature, R.S., Chapter 914 (H.B) 3530), Sec. 103, effective April 1, 2023 concerning notification of utility rate changes to rate payers.

### **3.1.5 SCOPE OF SERVICES**

The Utility Division was designed to provide potable water supply or sewerage disposal services to anyone residing within the immediate service area of an existing distribution or collection system. New service is contingent upon the existing system having the extra capacity to support the additional demand proposed, and the applicant paying all costs associated with the connection of service.





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### 3.1.6 UTILITY SERVICE AREA

The Utility Division's service area shall be defined as all or part of fifteen (15) designated counties included in the Certificate of Convenience and Necessity Number 10202 as issued by the Public Utilities Commission on November 1, 1979, which is now under the jurisdiction of the Texas Commission on Environmental Quality, and more specifically described on maps filed with the Commission. Refer to the Utility Division Service Area Map, **Figure 2**, for details.



# Red River Authority of Texas Regional Water Supply Facilities

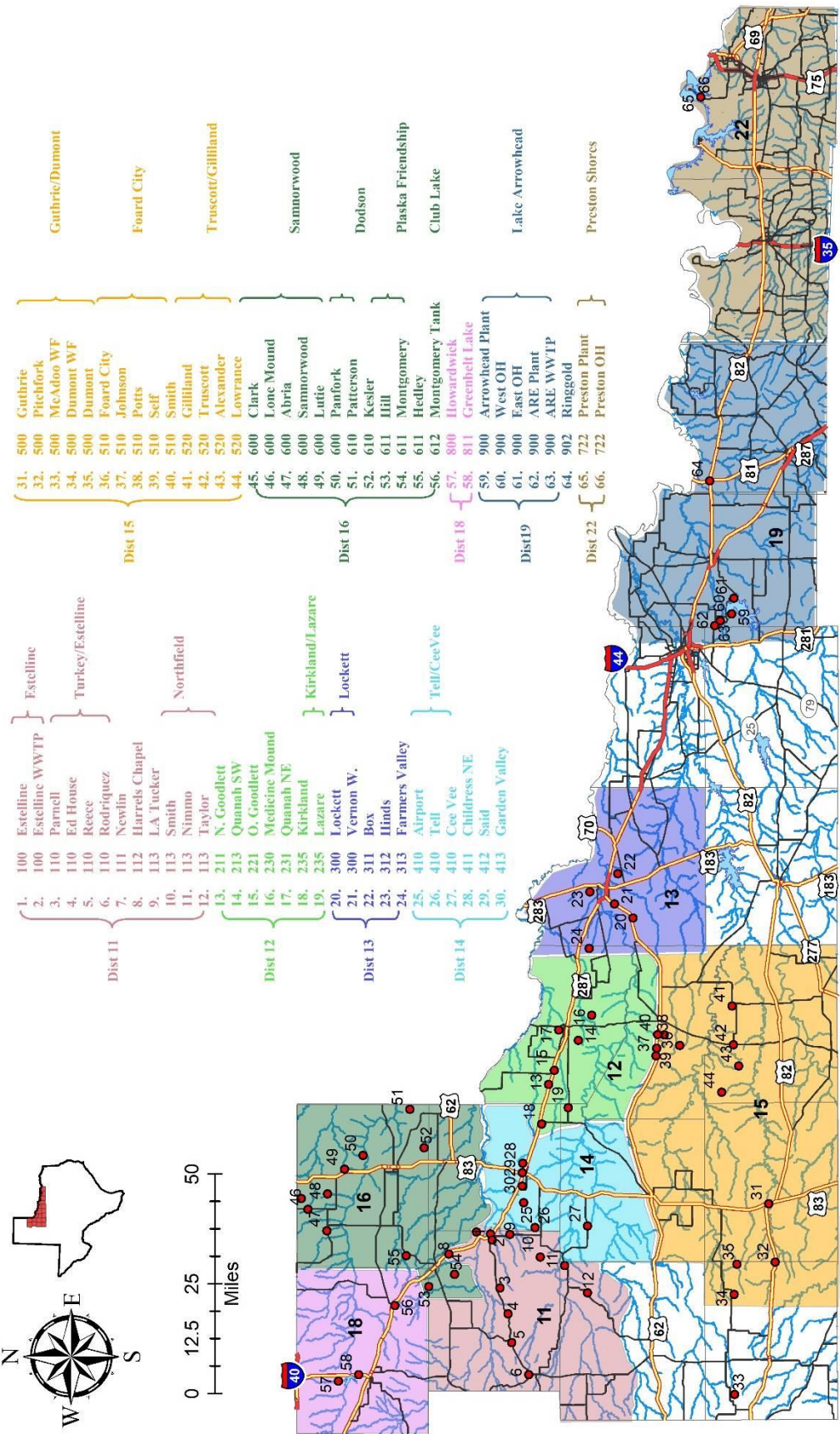


Figure 2



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### 3.2 GENERAL ADMINISTRATIVE PROCEDURES

#### 3.2.1 APPLICATION FOR SERVICE

The Utility Division shall provide any person desiring a service connection to an existing system contingent upon the following general conditions being met:

- a. System must be capable of supporting the estimated added consumptive demand of the proposed connection;
- b. Applicant agrees to all terms of the Domestic or Commercial Service Contract, and executing the same with a completed application for service form;
- c. Commercial Applications are subject to the approval of the Assistant General Manager.
- d. Applicant agrees to pay required connection fees in advance;
- e. Applicant agrees to provide a standard 20-foot property easement, if required for the service line;
- f. Applicant's structural plumbing as determined by a Customer Service Inspection, complies with the Authority's current plumbing codes as adopted by the Board of Directors.

#### 3.2.2 SERVICE CONTRACT SHELLS

A **domestic service connection** shall consist of a standard 5/8" tap made to an existing 2" main line or larger and owned by the Authority.

- a<sup>1</sup>. The Authority shall service and maintain said connection up to and including an installed registered service meter, a dual check valve, and a pressure regulator (if required) installed by the Authority.
- b<sup>1</sup>. Guaranteed discharge shall not exceed 20 gallons per minute (GPM), and shall not exceed 3,000 gallons in any one 24-hour period.
- c<sup>1</sup>. Static pressure shall be within a minimum of 35 psi and maximum of 75 psi. In the event initial static pressure registers below the emergency minimum of 20 psi, the applicant cannot be served, unless the applicant is willing to provide his or her own individual pressure system. Should the static pressure exceed 75 psi, a 3/4" tap, and if deemed necessary, a pressure regulator, maintained by the Authority, may be installed.



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- d<sup>1</sup>. A connection shall not be made to an existing system without prior test to substantiate the expected additional consumption.
- e<sup>1</sup>. Applicant shall agree to all terms and conditions of the Domestic Service Contract. See attachment for details.
- f<sup>1</sup>. If domestic sewer service is available, it will be added to the Domestic Service Contract.

A **standard commercial service connection** (Restricted Demand) shall consist of a standard type connection with a meter no larger than a full 3/4" bore.

- a<sup>2</sup>. Guaranteed discharge shall not exceed 30 GPM.
- b<sup>2</sup>. Maximum consumption shall not exceed the agreed calculated peak demand in gallons in any one 24-hour period.
- c<sup>2</sup>. The Standard Commercial Rate shall be periodically adopted by the Board of Directors and indicated in the contract.
- d<sup>2</sup>. No commercial connection shall be made without a prior test to the existing system to substantiate the additional consumption.
- e<sup>2</sup>. No commercial connection shall serve more than 10 individual services or exceed the demand criteria in this section.
- f<sup>2</sup>. If commercial sewer is available, it may be added to the contract with rates based on the Authority Utility Division Rate Schedule.
- g<sup>2</sup>. Proper backflow prevention devices are installed if necessary.
- h<sup>2</sup>. If a commercial sewer customer requires a connection with sewer access to more than one occupied structure, the base sewer rate shall be determined by the General Manager with a special contract.

A **special wholesale commercial connection** shall consist of a connection sufficient to supply a specified volume, and pressure required for the intended use.

- a<sup>3</sup>. Maximum and average daily consumption shall be predetermined and so agreed upon before entering into a special contract, in order to be certain that the affected system or systems can support the added demand.
- b<sup>3</sup>. The wholesale rate shall be determined in each contract for service by the General Manager using TCEQ and PUC guidelines.



## **CHAPTER 3**

- c<sup>3</sup>. A minimum charge shall be applied based on the calculated reserve capacity necessary to meet the average monthly demand proportional to the amortized capital cost of the treatment, storage and transmission facilities, and equated in thousands of gallons. The minimum charge shall be paid monthly whether water is consumed or not.
- d<sup>3</sup>. All new capital costs of any facilities required as a result of the new special wholesale commercial connection shall be borne by the applicant and conveyed to the Authority without charge up to and including the metering device and backflow prevention devices.
- e<sup>3</sup>. No special wholesale commercial connection shall be added to an existing system without tests to substantiate the additional consumption.

### **3.2.3 SERVICE TRANSFERS**

Transfer of an existing customer's meter may be accomplished in the following manner:

- a. Existing customers must own the property where the meter is to be transferred, or the property owner must agree, if it is a rental transfer.
- b. Existing customer's account must be current.
- c. Transfer customer must agree to all items in Section 3.2.1.

### **3.2.4 SERVICE EXTENSIONS**

It shall be the policy of the Authority that all extensions or improvements to facilities required as a result of an application or applications for service, except those of a new major capital expansion program, shall be paid for in full by the applicant or applicants prior to the start of construction.

All payments received by the Authority for an extension project shall be in addition to the standard tap fee and other requirements.

No extension shall be made without regard to overall planning, pressure, volume, and other general design considerations, and approval from the Assistant General Manager or the Utility Supervisor.

### **3.2.5 SERVICE INTERRUPTIONS**

The Authority cannot guarantee continuous and uninterrupted service, and will not be liable for loss or damage to any customer caused by the failure to supply water or interruption of service, if such interruption is due to a cause beyond the reasonable control of the Authority.





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Whenever service is interrupted for work on lines or equipment, such work shall, as far as practical, be done at a time that will cause the least inconvenience to the customer. The customers to be out of service by such planned interruptions shall be notified in advance if practical to do so.

Service may be interrupted from time to time due to the implementation of the Utility Division's Drought Contingency Plan, at which time the customer shall be notified of the prevailing alert criteria, and required to follow the enumerated instructions for water curtailment and rationing until the prevailing emergency condition has been alleviated. Failure of a customer to comply with a Mandatory Curtailment Order or a Mandatory Rationing Order may result in an immediate service disconnection. Reinstatement of the customer's service shall be subject to approval of the Assistant General Manager or the Utility Supervisor, and payment of reconnection fees.

In areas of frequent interruptions, or if customers maintain pressure sensitive equipment, Authority personnel should encourage these customers to install check valves or other back-flow devices. All out-of-service reports shall be prepared by the District Manager monthly, and submitted to the Assistant General Manager or the Utility Supervisor.

### **3.2.6 RATES, FEES, AND CHARGES**

Rates, fees and charges are posted in the Utility Division Rate Schedule, and the Maintenance and Utility Division Schedule of Fees and Charges, as adopted annually by the Board of Directors with the annual budget. The rates are adopted in accordance with the Special Districts Local Laws Code Title 6, Water and Wastewater Subtitle G, River Authorities Chapter 8510, Red River Authority of Texas, by Acts 2021, 87<sup>th</sup> Legislature, R.S., Chapter 914 (H.B) 3530), Sec. 103, effective April 1, 2023.

### **3.2.7 METER READING**

All service meters shall be read by Authority personnel on a monthly basis according to a detailed schedule provided to each District Manager, corresponding with the district's billing cycle.

- a. All service meters shall be read between the first (1<sup>st</sup>) and fourteenth (14<sup>th</sup>) day of the individual district's billing cycle, and submitted to the Accounting Department on or before the eighteenth (18<sup>th</sup>) day of the same cycle.
- b. Master meters shall be read by Authority personnel at least once each week, and if possible, on the same date as service meters are read, and shall be submitted to the Utility Supervisor on the appropriate forms.



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### **3.2.8 METER ACCURACY**

The Utility Division shall maintain a routine meter accuracy testing program to ensure proper accounting for all water produced, processed, purchased, or sold. All meter testing and accuracy limits shall conform to the AWWA Specification Manual M-6.

- a. Accuracy of all water service meters must be within  $\pm 1.5\%$ .
- b. Accuracy of all other meters must be within  $\pm 2.0\%$ .
- c. All meters may be tested once annually by utility personnel and results recorded, together with date, time, and meter serial number at no charge to the customer.
- d. All customer service meters having reached maximum register shall be tested and reconditioned, if deemed necessary by the District Manager.
- e. All unscheduled meter accuracy tests shall be at customer's expense.
- f. All special commercial or wholesale meters with a bore diameter of 2 inches or greater shall be tested for accuracy at the customer's expense, and at intervals stipulated in the service contract with certified results of the testing being submitted to the Utility Supervisor within twenty-four (24) hours of the results being received.

### **3.2.9 METER REMOVAL**

Any service meter removal shall be recorded by the District Manager on an approved Work Order through the Customer Service Representative at the Wichita Falls office. The District Manager shall have fully completed the Work Order within twenty-four (24) hours from meter removal. A meter shall not be removed without prior authorization, based on one or more of the following reasons:

- a. Request of the customer;
- b. Repair or replacement;
- c. Delinquent account;
- d. Unoccupied property or rental property;
- e. Illegal or unauthorized connection, cross connections, or plumbing practice;
- f. Noncompliance of conservation request or Mandatory Curtailment Order; or
- g. Unauthorized tampering or abuse.





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### **3.2.10 METER REINSTATEMENT**

Should a customer's service be terminated for any reason, the following conditions must be met for reinstatement:

- a. Payment of all unbilled metered water, and previous bill;
- b. Payment of the reconnect fee, if same customer;
- c. Execution of new Service Contract;
- d. Correction of any cited illegal connections or plumbing practice as determined by a Certified Customer Service Inspector; and
- e. Installation of an approved customer cut-off valve, and a backflow prevention device if required, within one foot of the meter box.

Should a new customer desire to reinstate an existing but inactive connection, the new customer must make an application, execute a Service Contract, and pay the required fees. No charge shall be made to a new customer for the previous owner's metered water or bad debt. All applications for service will be checked against a Bad Debt list maintained by the Authority prior to being approved. A prior Authority customer with a bad debt balance must pay all bad debt arrears before receiving new service.

### **3.2.11 UTILITY BILLING STATEMENTS**

All utility billing statements shall be mailed from the Authority's main office on the last working day of the assigned monthly billing cycle. The bill is due and payable on or before the 16<sup>th</sup> day after issuance of the bill. All accounts will be considered delinquent if not paid by 5:00 PM on the 16th day after issuance, subject to rule (holiday or weekend). Delinquent accounts will be assessed a 10% late charge against the monthly charges. Delinquent accounts are subject to a service disconnect on the 27<sup>th</sup> day after bills have been issued of same billing cycle. Not receiving a bill does not exempt a customer from his or her obligation to keep the account current.

A Termination Notice shall be mailed from the Authority's main office on the 17<sup>th</sup> day after issuance of the monthly billing statement of the same billing cycle, unless prior payment is received in full; a copy of the notice shall also be provided to the District Manager. This notice shall indicate the date the meter is subject to removal plus the delinquent account balance. The District Manager may make a reasonable attempt to contact the customer prior to meter removal, only when the customer has a good payment history, as reported by the Customer Service Representative. A service charge may be added to delinquent accounts for collection by utility personnel in the field.



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A customer shall be responsible to pay on a monthly basis the minimum charge whether water is used or not. Partial payments will only be accepted with the approval of the General Manager or Assistant General Manager. Payments will only be accepted from a current account holder, or persons authorized in writing by the account holder.

The customer is responsible to pay for all water registered through the meter, whether or not the water was used. The Authority is not responsible for water loss of any kind on the customer's side of the meter, including water loss due to leaks. The Authority may attempt to notify a customer if consumption irregularities are noted on the account as a courtesy. The customer is responsible for monitoring their consumption and the condition of the customer side plumbing.

Advanced payments of up to \$100.00 per account may be accepted on a routine basis. Any request to accept advanced payment for more than \$100.00 must receive approval from the Assistant General Manager or the General Manager.

Payments are to be made by one of following methods:

- a. By mail to: Red River Authority of Texas, P.O. Box 240, Wichita Falls, Texas 76307
- b. Online at <https://www.rra.texas.gov>
- c. By phone at 833-243-3380
- d. By draft (a draft form will be attached to each contract)

No payments are to be taken in the field unless authorized by the Assistant General Manager or the Utility Supervisor, and then only by check, cashier's check or money order.

### **3.2.12 BILLING ADJUSTMENTS**

From time to time posting errors or equipment malfunction shall be just cause for an adjustment to a customer's account, either as a debit or credit. No adjustments shall be made to an account without prior approval from management, and issuance of a Work Order or Status Change Order if required.

All direct adjustments such as overcharges, double charges, or incorrect meter readings shall be taken at face value, and credit or a refund issued within the same accounting period, subject to management approval.

All indirect adjustments, such as erroneous meter readings, shall be adjusted after the District Manager has supplied a corrected reading and a corrected bill issued.

The status of any account shall not be changed without authorization of the District Manager and management, and so ordered in triplicate on an approved Work Order.



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### 3.2.13 PUBLIC NOTIFICATIONS

The Assistant General Manager or the Utility Supervisor shall promptly notify any utility customers of contaminants that may pose a health threat when identified in the course of analysis. Regular notifications shall be made in writing on a quarterly basis where a contaminant has been identified and so ordered by the Texas Commission on Environmental Quality. All other notices (e.g. Boil Water Notice, Consumer Confidence Report) shall be issued in compliance with TCEQ rules and regulations.

### 3.2.14 CROSS CONNECTION CONTROL AND BACKFLOW PREVENTION

The production and delivery of safe drinking water is the Utility Division's highest priority. After potable water has been produced, precautions must be taken to ensure that it does not become contaminated. This is accomplished by adhering to the following procedures:

- a. Service inspections of the customers plumbing will be conducted by Certified Customer Service Inspectors on all new service connections or existing service connections where the customer's plumbing has been modified or replaced, and where a possible contamination hazard is believed to exist, as determined by the District Manager.
- b. Dual check valves will be installed on all new domestic and standard commercial service connections.
- c. Special commercial, wholesale, or customer service connections determined to be high health hazards by the District Manager will be required to install, maintain, and annually certify an approved back-flow prevention device at the service connection. Annual certifications must be performed by a certified back-flow prevention tester, and results provided the District Manager within 24 hours of the test.
- d. All customer service inspections and back-flow prevention device certification records shall be maintained by the District Manager and in the customer's file at the main office for a minimum of ten (10) years.

### 3.2.15 DEFINITIONS

***Tap:*** Connection to the Authority's distribution line. The size of which is determined by the estimated amount of water to be required, and shall not exceed 3/4" diameter bore to mainline without approval of the Assistant or General Manager.

***Short Tap:*** A standard tap including all materials necessary (saddle, corporate stop, service extension, meter stop, meter, meter box, dual check valve and a pressure regulator if required) to install a service meter within ten (10) feet of the distribution line.



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**Long Tap:** Same as the above described short tap with the exception of a predetermined length of service line between the existing distribution line and the proposed service meter that is greater than ten (10) feet from the distribution line. All costs associated with the extended line must be paid in advance by the person or persons requesting the tap.

**Meter:** A device installed at the end of a tap to record the flow of the water. This device, and the piping from the tap to the meter, is owned and maintained by the Authority.

**Deposits:** Monies paid, prior to service connections, to guarantee the intent of payment. No deposits will be collected by the Authority.

**Customer Service Line:** The service line is that portion of a water line beginning at the Authority's meter and continuing to the point of the intended use. This line, along with all metered water, becomes the responsibility of the customer. The customer must provide an approved cut-off valve within one (1) foot of the Authority's meter box.

**Commercial Connection:** A connection to the Authority's distribution system that will require larger quantities of water and more frequent service than that of a domestic connection. The Authority shall service and maintain said connection up to and including an installed registered service meter. The consumer must agree to all conditions of the "Commercial Service Contract", and assumes responsibility for all metered water (whether used or not), monthly minimums, and billed water.

**Rate:** The dollar value assigned to the volume of water flowing through the meter or to treat unmetered sewerage. Rates are used to calculate the monthly bill for water consumed or wastewater treated. The Authority's water and sewer rates are computed according to the necessary funds needed to retire the existing indebtedness, recover the cost of operation and maintenance, and provide for system enhancements and adequate operational reserves. The rates shall be computed from audited financial data on a cash basis in accordance with a conservation type rate structure relevant to the Authority's historical data.

**Domestic Connection:** An authorized standard 5/8" tap to an existing main owned and operated by the Authority. The Authority shall service and maintain said connection up to and including an installed registered service meter. The consumer must agree to all conditions of the "Domestic Service Contract" and assume responsibility of all metered water (whether used or not), monthly minimums, and billed water.

**Billing Cycle:** The period of time averaging approximately thirty (30) days in length in which customers are billed for service. Each billing cycle's beginning date shall constitute a complete accounting period, and therefore is subject to normal payment and disconnect terms described in Paragraph 3.2.7. The cycle may be referred to as monthly, but does not equate to a calendar month.

**Habitual Delinquent Customer:** Any customer who appears on the delinquent list more than three times in a 12-month period.



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**Gravity Sewer Tap:** Standard municipal 4" free flow sewer line installed to the customer's property line. Short tap is less than 20', and long tap is over 20'.

**Pressure Sewer Tap:** Sewer connection to a pressurized system in areas where gravity flow lines are not suitable. Authority will furnish and maintain approved pump pit, grinder pump, and discharge line from the pump to the main line. Customer is responsible for providing and maintaining power to the pump and private collection system and initial septic tank for solids collection.

**Commercial Sewer Tap:** Any non-domestic or single-family dwelling sewer connection. Rates will be determined by specific contract.

### 3.3 TECHNICAL SUPPORT SERVICES

#### 3.3.1 WATER QUALITY MONITORING

Water samples shall be collected from each distribution system the Authority operates, and a bacteriological analysis performed on a monthly basis or more often as required by the Texas Commission on Environmental Quality (TCEQ) to ensure quality water for human consumption.

A chemical and other periodic or special analysis shall be performed at the source of each water supply prior to any treatment or distribution on a schedule determined by the TCEQ.

#### 3.3.2 WATER USE AUDIT

The Assistant General Manager or the Utility Supervisor shall prepare and maintain a water use audit for the purpose of determining the best utility management practices and conservative use of the water resources within the Utility Division. The audit shall include, but not be limited to, the following general criteria:

- a. Prepare a balanced uniform accounting by category of all surface and ground water utilized by the Utility Division during the preceding fiscal year.
- b. Evaluate the meter accuracy and exchange program with details of the meters tested and changed out.
- c. Randomly select at least ten percent (10%) of all utility accounts not previously selected, and evaluate the rate computation and billing statement accuracy for each.
- d. Conduct a random assessment of at least ten percent (10%) of all utility accounts to which transactions were conducted within the fiscal year noting any errors observed in work order preparation, data file input/output, account maintenance, and account histories.



## **CHAPTER 3**

- e. Prepare a summary report of findings with conclusions for submission to the General Manager within 120 days of the fiscal year end.

### **3.3.3 WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN**

The Board of Directors approved a Comprehensive Water Conservation and Drought Contingency Plan on January 26, 1988 and charged the Utility Division with the responsibility to perpetuate the plan. Pursuant to the enactment of Senate Bill 1 by the 75<sup>th</sup> Legislature, the Board of Directors shall authorize by resolution a revision to the Water Conservation and Drought Contingency Plan to reflect the requirements enumerated in the act every five (5) years to be submitted to the TCEQ. An annual report of the plan effectiveness shall be prepared and submitted to the Texas Water Development Board.

### **3.3.4 EMERGENCY MANAGEMENT PLAN**

The Utility Division shall maintain an emergency management plan for implementation during critical situations calling for extraordinary management practices. The plan shall be compiled into a separate manual format and made available to all personnel engaged in the operations of the Utility Division.

### **3.3.5 FACILITY MAINTENANCE PROGRAM**

The Assistant General Manager or the Utility Supervisor shall prepare and require each District Manager to implement a continuing facility maintenance program with the primary objective of preventing premature failure of mechanical or electrical equipment employed in all utility operations. The program shall consist of and direct attention to:

- a. Identification of areas presenting a material weakness in any component of the utility operations;
- b. Developing cost effective measures to prevent unscheduled failures of integral components to a pressure plane;
- c. Preparing schedules of minor capital improvements to incorporate into the updating of facility plans and specifications;
- d. Implementing a cycled meter test, calibration, or change out program for all classes of service and master meters utilized within the Utility Division; and
- e. Itemizing major capital needs to be included with the planned expansion or improvement to existing facilities.



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### **3.3.6 CAPITAL IMPROVEMENTS**

All capital improvements made to the Utility Division shall be planned and so designed to enhance the existing systems or extend its useful life utilizing the best available technology to:

- a. Provide the best available service to the public at the most economical cost.
- b. Maintain statutory compliance with all regulations pertaining to public drinking water supplies.
- c. Improve the effectiveness of maintaining a regional water supply in the most efficient manner possible for the benefit of the participating public.

## **3.4 RED FLAG IDENTITY THEFT PREVENTION PROGRAM**

### **3.4.1 PROGRAM ADOPTION**

The Red River Authority of Texas ("Authority") developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's Red Flags Rule ("Rule"), which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003, 16 CFR. §681.2. This Program was developed for the Utility Division of the Authority ("Utility") with oversight and approval of the Board of Directors. After consideration of the size and complexity of the Utility's operations and account systems, and the nature and scope of the Utility's activities, the Board of Directors determined that this Program was appropriate for the Authority's Utility Division, and therefore approved this Program on April 15, 2009.

### **3.4.2 PURPOSE AND DEFINITIONS**

- a. Establish an Identity Theft Prevention Program - To establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the Program in compliance with Part 681 of Title 16 of the Code of Federal Regulations implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003.
- b. Establishing and Fulfilling Requirements of the Red Flags Rule - The Red Flags Rule ("Rule") defines "Identity Theft" as "fraud committed using the identifying information of another person" and a "Red Flag" ("Red Flag") as a pattern, practice, or specific activity that indicates the possible existence of Identity Theft. Under the Rule, every financial institution and creditor is required to establish an "Identity Theft Prevention Program" tailored to its size, complexity and the nature of its operation. The Program must contain reasonable policies and procedures to:





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1. Identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program;
  2. Detect Red Flags that have been incorporated into the Program;
  3. Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft; and
  4. Ensure the Program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the creditor from Identity Theft.
- c. Red Flags Rule definitions used in this Program

**Entity:** The Red River Authority of Texas.

**Covered Account:** Under the Rule, a “covered account” is:

1. Any account the Utility offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the Utility offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the Utility from Identity Theft.

**Creditors:** The Rule defines creditors “to include finance companies, automobile dealers, mortgage brokers, utility companies, and telecommunications companies. Where non-profit and government entities defer payment for goods or services, they, too, are to be considered creditors.”

**Identifying Information** is defined under the Rule as “any name or number that may be used, alone or in conjunction with any other information, to identify a specific person,” including: name, address, telephone number, social security number, date of birth, government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer’s Internet Protocol address, or routing code.

**Program:** The Identity Theft Prevention Program for the Authority.

**Program Administrator:** The Controller is the Program Administrator for the Program.

**Utility:** The Utility is the Utility Division for the Authority.





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### 3.4.3 IDENTIFICATION OF RED FLAGS

In order to identify relevant Red Flags, the Utility considers the types of accounts that it offers and maintains, the methods it provides to open its accounts, the methods it provides to access its accounts, and its previous experiences with Identity Theft. The Utility identifies the following red flags, in each of the listed categories:

a. Notifications and Warnings from Consumer Credit Reporting Agencies

Red Flags

1. Report of fraud accompanying a consumer credit report;
2. Notice or report from a consumer credit agency of a credit freeze on a customer or applicant;
3. Notice or report from a consumer credit agency of an active duty alert for an applicant; and
4. Indication from a consumer credit report of activity that is inconsistent with a customer's usual pattern or activity, including but not limited to:
  - Recent and significant increase in volume of inquiries
  - Unusual number of recent credit applications
  - A material change in use of credit
  - Accounts closed for cause or abuse

b. Suspicious Documents

Red Flags

1. Identification document or card that appears to be forged, altered or inauthentic;
2. Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
3. Other document with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged); and
4. Application for service that appears to have been altered or forged.

c. Suspicious Personal Identifying Information

Red Flags

1. Identifying information presented that is inconsistent with other information the customer provides (example: inconsistent birth dates);



## CHAPTER 3

2. Identifying information presented that is inconsistent with other sources of information (for instance, Social Security number or an address not matching an address on a credit report);
  3. Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
  4. Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
  5. An address or phone number presented that is the same as that of another person;
  6. A person fails to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required) or an applicant cannot provide information requested beyond what could commonly be found in a purse or wallet; and
  7. A person's identifying information is not consistent with the information that is on file for the customer.
- d. Suspicious Account Activity or Unusual Use of Account

### Red Flags

1. Change of address for an account followed by a request to change the account holder's name;
  2. Payments stop on an otherwise consistently up-to-date account;
  3. Account used in a way that is not consistent with prior use (example: very high activity);
  4. Mail sent to the account holder is repeatedly returned as undeliverable;
  5. Notice to the Utility that a customer is not receiving mail sent by the Utility;
  6. Notice to the Utility that an account has unauthorized activity;
  7. Breach in the Utility's computer system security; and
  8. Unauthorized access to or use of customer account information.
- e. Alerts from Others

### Red Flag

1. Notice to the Utility from a customer, identity theft victim, fraud detection service, law enforcement or other person that it has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.



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### 3.4.4 DETECTING RED FLAGS

#### a. New Accounts

In order to detect any of the Red Flags identified above associated with the opening of a **new account**, Utility personnel will take the following steps to obtain and verify the identity of the person opening the account:

##### Detect

1. Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
2. Verify the customer's identity (for instance, review a driver's license or other identification card);
3. Review documentation showing the existence of a business entity;
4. Request additional documentation to establish identity; and
5. Independently contact the customer or business.

#### b. Existing Accounts

In order to detect any of the Red Flags identified above for an **existing account**, Utility personnel will take the following steps to monitor transactions with an account:

##### Detect

1. Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
2. Verify the validity of requests to close accounts or change billing addresses; and
3. Verify changes in banking information given for billing and payment purposes.

### 3.4.5 PREVENTING AND MITIGATING IDENTITY THEFT

In the event Utility personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

##### Prevent and Mitigate

- a. Continue to monitor an account for evidence of Identity Theft;
- b. Contact the customer, sometimes through multiple methods;
- c. Change any passwords or other security devices that permit access to accounts;
- d. Not open a new account;
- e. Close an existing account;
- f. Do not close the account, but monitor or contact authorities;
- g. Reopen an account with a new number;



## CHAPTER 3

- h. Notify the Program Administrator for determination of the appropriate step(s) to take;
- i. Notify law enforcement; or
- j. Determine that no response is warranted under the particular circumstances.

### Protect customer identifying information

In order to further prevent the likelihood of identity theft occurring with respect to Utility accounts, the Utility will take the following steps with respect to its internal operating procedures to protect customer identifying information:

- a. Ensure that its website is secure or provide clear notice that the website is not secure;
- b. Where and when allowed, ensure complete and secure destruction of paper documents and computer files containing customer information;
- c. Ensure that office computers are password protected and that computer screens lock after a set period of time;
- d. Change passwords on office computers on a regular basis;
- e. Ensure all computers are backed up properly and any backup information is secured;
- f. Keep offices clear of papers containing customer information;
- g. Request only the last 4 digits of social security numbers (if any);
- h. Ensure computer virus protection is up to date; and
- i. Require and keep only the kinds of customer information that are necessary for utility purposes.

### **3.4.6 PROGRAM UPDATES**

This Program will be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the Utility from Identity Theft. At least annually, the Program Administrator will consider the Utility's experiences with Identity Theft situation, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of accounts the Utility maintains and changes in the Utility's business arrangements with other entities, consult with law enforcement authorities, and consult with other Authority personnel. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Program Administrator will update the Program or present the Board of Directors with his or her recommended changes and the Board of Directors will make a determination of whether to accept, modify or reject those changes to the Program.

### **3.4.7 PROGRAM ADMINISTRATION**

- a. Oversight

Responsibility for developing, implementing and updating this Program lies with an Identity Theft Committee for the Utility. The Committee consists of the Program Administrator, the General Manager and the Assistant General Manager.



## CHAPTER 3

The Program Administrator will be responsible for the Program administration, for ensuring appropriate training of Utility staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.

### b. Staff Training and Reports

Initially, all Utility staff shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected. Thereafter, all Utility staff shall undergo update training not less than annually. Additionally, all new Utility employees shall undergo training.

Regional Managers and the Customer Service Representative shall submit reports quarterly concerning the Utility's compliance with the program, the training that has been given and the effectiveness of the policies and procedures in addressing the risk of Identity Theft, including recommendations for changes to the Program. While incidents of Identity Theft are to be reported immediately to the Program Administrator, the quarterly reports shall contain a recap of the incident and include the steps taken to assist with resolution of the incident.

### c. Service Provider Arrangements

In the event the Utility engages a service provider to perform an activity in connection with one or more accounts, including but not limited to franchise utility providers, the Utility will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

1. Require, by contract or contract amendment, that service providers have such policies and procedures in place; and
2. Require, by contract or contract amendment, that service providers review the Utility's Program and report any Red Flags to the Program Administrator.

### d. Specific Program Elements and Confidentiality

For the effectiveness of Identity Theft Prevention Programs, the Red Flag Rule envisions a degree of confidentiality regarding the Utility's specific practices relating to Identity Theft detection, prevention and mitigation. Therefore, under this Program, knowledge of such specific practices is to be limited to the Identity Theft Committee and those employees who need to know them for purposes of preventing Identity Theft. Because this Program is to be adopted by a public body and thus publicly available, it would be counterproductive to list these specific practices here. Therefore, only the Program's general red flag detection, implementation and prevention practices are listed in this document.

## **CHAPTER 4**

### **ENVIRONMENTAL SERVICES DIVISION**

# ENVIRONMENTAL SERVICES DIVISION

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## **GENERAL POLICY**

### **CHAPTER 4**

#### **4.1 ENVIRONMENTAL SERVICES DIVISION**

##### **4.1.1 INTRODUCTION**

The Authority was created by Acts of the 56<sup>th</sup> Legislature in 1959 as a conservation and reclamation district. Among its duties is the control and abatement of pollution to the water resources of the Red River watershed in Texas.

Early studies in 1960 revealed that much of the water resources within the Red River Basin were contaminated with excessive amounts of chloride, sulfate, and total dissolved solids, rendering it virtually useless for municipal, industrial, and most agricultural purposes. The principal sources of pollution were categorized as naturally occurring and anthropogenic. The Authority launched efforts toward reclaiming the water resources for a beneficial purpose in 1961.

The Texas Legislature granted the Authority policing powers, (Article 8280-228, §14) and authorized it to promulgate rules and regulations to enforce the control of anthropogenic pollution within the basin. The Board of Directors adopted such rules and properly publicized same throughout the basin on July 1, 1960. The Board of Directors commissioned peace officers to conduct orderly investigations to identify the sources and recommend proper control or abatement measures.

Primary anthropogenic point source pollution was found to originate from oil-field brine disposal (59%), municipal and industrial wastewater discharges (31%), and various types of unauthorized industrial waste disposal (10%). The sum of which was determined to be about 1,700 tons per day or 33% of the total chloride loading (5,000 tons per day) to the Red River. Naturally occurring chloride brine emissions from 10 springs, 9 of which are located in Texas, account for the remaining 3,300 tons per day or 66% of the total chloride loading to the Red River.

In 1966, Congress Authorized the Chloride Control Project under Public Law 89-789, and the Texas Commission on Environmental Quality appointed the Authority as the designated local sponsor to aid the U.S. Army Corps of Engineers in the continuance of pollution prevention.

##### **4.1.2 Purpose**

Since the Red River Basin is deficient in usable surface water supplies and the demand for new source supplies is on the increase, the Authority and other state and federal agencies have jointly agreed to adopt the common objective of reclaiming the waters of the Red River for the beneficial uses of the public.





## **CHAPTER 4**

The principal purpose of the Environmental Services Division of the Red River Authority of Texas is to investigate, control, and abate any possible sources of pollution found to be contaminating the receiving waters of the Red River or its tributaries.

Under Article 8280-228, Section 14, the Authority is vested with the powers of investigation, enforcement, control, planning, and special provisions for contractually financing certain facilities relevant to preventing the pollution of water resources of the basin.

The Authority shall maintain an adequate complement of Special Investigators for the purpose of investigating complaints, performing investigative water quality surveys, and promoting water quality protection of the natural resources within the Red River Basin. Each officer shall be commissioned by the Board of Directors and function under the direct supervision of the General Manager or his designee.

In addition, each planned investigative study or pollution control project must be authorized by the Board of Directors. The Authority shall pursue each assigned objective as a local sponsor or management agency under the direct supervision of the General Manager and in accordance with all general laws of the State of Texas and the Texas Water Code. However, each special study or project shall be authorized by a conditional contract of acceptance and adopted by the Board of Directors of the Authority, prior to the commencement of such a study or pollution control project.

### **4.1.3 FUNDING AND FINANCING**

Funds for operation and maintenance of the Environmental Services Division are supplied from one or more of the following sources:

- a. Funds shall be provided by direct budget appropriations from the Authority's General Funds on an annual basis. Each fiscal year sufficient funds shall be made available to provide the means of responding to general complaints received from the public and perform the necessary investigations to identify the problem, recommend an appropriate solution, and provide reasonable follow-up to ensure regulatory compliance.
- b. Funds may be provided through direct appropriations of the Texas Water Development Board, the Texas Commission on Environmental Quality, or the U.S. Army Corps of Engineers on an individual contract basis. Each contract study or investigation is subject to approval of the Authority's Board of Directors prior to an official commitment to the contracting agency.
- c. Other funds are provided through contract agreements between the Authority and other entities for water quality management services rendered as a result of a formal request to aid an entity with statutory compliance, water quality management, or maintenance. Any contract shall be based on charges for services and subject to approval of the Authority's Board of Directors prior to execution.



## CHAPTER 4

- d. Funds for the Environmental Services Laboratory are provided through charges for services and analytical fees as adopted annually by the Board of Directors during the Budget approval process.

### 4.1.4 SCOPE OF SERVICES

**Water Quality or Environmental Complaints.** Complaints received by the Authority shall be investigated by an authorized officer to the extent necessary to provide the following basic information in report form:

- a<sup>1</sup>. Name of the person or persons filing the complaint;
- b<sup>1</sup>. Nature and general description of the complaint;
- c<sup>1</sup>. Detailed report of the investigation identifying the suspected source(s) of pollution; and
- d<sup>1</sup>. Recommendations as to the appropriate action to be taken by the Authority.

**Water Quality Management Studies.** Studies performed by the Authority shall be accomplished through separate contract agreements between the Authority and the Texas Water Development Board or the Texas Commission on Environmental Quality. Each contract shall be subject to approval of the Authority's Board and the State Department or Commission (TWDB or TCEQ) prior to commitment of funds or personnel. A specific scope of service shall be prepared and submitted to the Board with a detailed proposal to include, but not limited to the following data:

- a<sup>2</sup>. General description of the project;
- b<sup>2</sup>. Purpose of the study;
- c<sup>2</sup>. Description of each task or segment necessary to complete the study;
- d<sup>2</sup>. Detailed description of the estimated cost to complete the report including the proposed source(s) of funding; and
- e<sup>2</sup>. Description of the results to be expected.

**Environmental Services Laboratory.** The Authority shall maintain adequate laboratory facilities accredited under the National Environmental Laboratory Accreditation Program, as administered by the Texas Commission on Environmental Quality. In addition to providing chemical and bacteriological analysis of water, wastewater, and soil in support of the Authority's environmental services and utility activities, the Environmental Services Laboratory will provide analytical services to other federal and state agencies, cities, industry, and individuals throughout the Red River watershed in Texas and Oklahoma.



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Due to the exacting standards that must be applied to analytical methods, the ESD shall prepare and maintain a Laboratory Procedures Manual applicable to each parameter or constituent tested and for service provided either internally to other divisions or externally to public entities. Summaries of all laboratory activities shall be provided the Assistant General Manager or the Director of Operations on a monthly basis. Charges for laboratory services are listed in the annual fee schedule, as approved by the Board of Directors. Records shall be kept and maintained subsidiary to the general accounting system with a register of all invoices originating in the ESD provided to the Controller on a monthly basis.

**Water Quality Assessments or Environmental Services.** Services may be provided to municipalities and industries under mutual contract agreements which, with consent of the Authority's Board of Directors, are viewed as necessary measures to improve the quality of receiving waters of the Red River Basin or its tributaries. Subject to a formal request from the entity desiring assistance, and the results of a preliminary investigation, the Board may authorize the execution of a contract with subject entity under the following general conditions:

- a<sup>3</sup>. The Board's review and approval of a Study or Work Plan prepared, and presented by the General Manager with appropriate recommendations for the Authority's participation and course of action;
- b<sup>3</sup>. An entity's willingness to reimburse the Authority for all charges directly related to the proposed project under terms and conditions to be set forth by a contract;
- c<sup>3</sup>. All services rendered shall be performed by authorized representatives of the Authority or designated agents thereof, and certified competent by the State of Texas for the particular field of expertise that may be required; and
- d<sup>3</sup>. That no services rendered shall be construed as a waiver of the Authority's right to fulfill any of its obligations to enforce any general laws of the state, the Texas Water Code, or any federal statute administered through the U.S. Environmental Protection Agency.

The Authority may issue Pollution Control Revenue Bonds for the purpose of controlling or preventing pollution of the environment under special contract provisions with municipalities and industry. Such financing arrangements shall be limited to a specific contract sale agreement between the Authority and the entity requesting assistance, and further limited to only those facilities necessary to prevent or control pollution of the environment. The Authority's Bond Counsel or Financial Advisor shall be responsible for qualifications of each applicant prior to the Board of Directors considering an Inducement Resolution. The following general categories shall be used as a guide in considering an applicant's request for financial assistance:

- a<sup>4</sup>. The construction of any type of waste disposal or treatment facilities which discharges an effluent to a tributary of the Red River or any receiving waters within the Red River Basin;



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- b<sup>4</sup>. The construction of any type water treatment facilities, which utilize water for municipal, industrial, agricultural, or mining purposes in accordance with the Texas Commission on Environmental Quality; and
- c<sup>4</sup>. The construction of any type of air or water pollution control and prevention facilities mandated under the Clean Air Act (PL -92-4921), the Safe Drinking Water Act (PL-93-523), and/or the Federal Pollution Control Act of 1972.

### **4.2 POLLUTION INVESTIGATION PROCEDURES**

#### **4.2.1 GENERAL RULES AND REGULATIONS**

The Authority is empowered by law (Article 8280-228, §14, (a), (c), (d), and (k), VATCS and Sections 12, 16, and 26 of the Texas Water Code) to enforce the general pollution control laws of the state and as such, commission officers as Special Investigators to carry out this purpose under the Enabling Legislation.

Pursuant to the provisions of Section 59, Article XVI of the Texas Constitution, the following general pollution rules and regulations were adopted by the Board of Directors, properly publicized throughout the basin, and made effective July 1, 1960.

These rules and regulations are intended to serve as a definitive guide in order to protect, preserve, and where necessary, restore the purity and sanitary conditions of the surface and ground waters of the Red River and its tributaries.

- a. It shall be unlawful for any person, firm, corporation, association, town, city, or other political subdivision of this state, or any agent, officer, employee, or representative of such person, firm, corporation, association, town, city, or other political subdivision of this state to pollute any surface water within any tributary within the area comprising the Red River watershed.
- b. Any person, firm, corporation, association, town, city, or other political subdivision of this state, or any agent, officer, employee, or representative of any such person, firm, corporation, association, town, city, or other political subdivision of this state who violates any provision of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined a sum not more than one thousand (\$1,000) dollars, or by confinement in the county jail for not more than thirty (30) days, or by both such fine and imprisonment.
- c. These rules and regulations shall not be applicable to the Texas Parks and Wildlife Department in connection with the administration of their lawful activities, any municipal corporation which discharges its sewage into any surface water provided that such discharge does not render such water harmful to public health as may be determined by the Texas Commission on Environmental Quality, and wildlife as may be determined by the Texas Parks and Wildlife Department.



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d. Definitions:

- i. **Tributaries** shall mean all rivers, creeks, streams, bayous, lagoons, canals, laterals, public drainage ditches, and ravines within the Texas watershed of the Red River.
- ii. **Surface Water** is that water within such tributaries, as defined in Section 4.2.1d, including all storm and flood waters thereof and the run-off there from and shall extend to and include all lakes, reservoirs, ponds, bayous, lagoons, and other bodies of surface water whether artificial or natural including all such bodies of surface water that are subject to overflow from or into a tributary as hereinabove defined in Section 4.2.1d.
- iii. **Beneficial Purposes** means the use of water described in the preceding Section 4.2.1e, for human consumption, agriculture, irrigation, gardening, domestic stock raising, municipal, for manufacturing, industrial, commercial, mining, recreational, or other pleasure purposes that are useful and beneficial to the user thereof.
- iv. **Pollute** is hereby defined to be the throwing, discharging, or otherwise permitting to reach or to be injected or introduced into any surface water as defined in Section 4.2.1e, of any substance, material, or thing including but not limited to the carcass of any dead animal, cans, discarded buckets or pails, garbage, ashes, wire, earth, offal, oil, or any of its by-products or waste therefrom by the manufacturing or production thereof, including oil field brine, oil-slick or basic sediment from oil, regardless of the quantity thereof, which renders such surface water unfit for one or more of the beneficial purposes, or contributes to rendering such surface water unfit for one or more of such beneficial purposes.
- v. **Savings Clause:** If any section, sentence, paragraph, clause, or part of these rules and regulations should be held or declared invalid for any reason by a final judgment of the courts of this state or of the United States, such decision or holding shall not affect the validity of the remaining portions of these rules, and the Board does hereby declare that it would have adopted and promulgated such remaining portions of such rules irrespective of the fact that any other sentence, section, paragraph, clause, or part thereof may be declared invalid.
- vi. **Publication:** These rules shall be published once a week for two (2) consecutive weeks in one or more newspapers having general circulation within the Authority and shall become effective fourteen (14) days after date of the first publication. The effective date is July 1, 1960.



## **CHAPTER 4**

### **4.2.2 RESPONDING TO COMPLAINTS**

The Environmental Services Division shall respond to any written complaint filed by the general public which is believed to pose a threat to the receiving waters of the Red River and its tributaries in accordance with Article 8280-228, §14 (a), VATCS. An investigation of a written complaint shall be responded to within fifteen (15) days of official receipt.

### **4.2.3 FIELD INVESTIGATIONS**

A field investigation may be conducted for any meaningful purpose within the scope of service defined in Policy Section 4.1.4. All investigations and resultant progress reports shall be conducted under the supervision of the General Manager. Any field investigation must be in cooperation with any other agency having common jurisdiction in the matter. The investigating officer shall be responsible for notifications of the appropriate officials prior to completing and filing a report. Where possible, a copy of reports from any other attending agencies participating in the investigation should be included and referred to in the investigating officer's final report.

### **4.2.4 REPORTING**

All officers and authorized personnel functioning through the Environmental Services Division shall be required to log their time and mileage with respect to each task or project assigned. The log shall be filed in report form together with the signature of the investigating officer and chief executive officer.

All summarized activity reports shall be filed with the Authority's main office on the first day of the month following the activity period.

All investigative reports shall be filed with the Authority's main office upon completion of each assignment. The reports will then be filed with the appropriate agency having jurisdiction thereof.

All water quality investigations authorized by a contract with another state agency or entity shall be submitted to the Authority's main office at the completion of each assigned task, and in accordance with the allotted time for each portion thereof. A periodical report of the progress shall be prepared and submitted to the Board of Directors depicting the expenditures for the period, results of the investigations or analysis, and recommendations as may be appropriate.

### **4.2.5 PERMITS**

The Authority shall review all permit applications relating to water quality filed with the Texas Commission on Environmental Quality (TCEQ) within the Red River Basin for general conformity with the Master Plan of the basin and demonstrating appropriate measures to improve the general water quality of the watershed segment.



## **CHAPTER 4**

The Texas Commission on Environmental Quality shall provide the Authority a copy of each Permit Application Notice when filed, together with relevant supporting data for the Authority's review and comment. The Authority shall file a written response to the Commission within thirty (30) days, should the application not be in conformity with the Master Plan of the basin or the state's Water Quality Management Plan.

All permit applications filed with the Commission shall be within one or more of the following categories:

- a. Applications to appropriate state waters for municipal, industrial, agricultural, and/or mining purposes;
- b. Applications to discharge treated municipal or industrial waste to a tributary of the Red River or impounded receiving waters within the Red River Basin; and
- c. A renewal or modification of an existing permit as classified in 4.2.5, (a) or (b) above.

All permit applications not in conformity to the Master Plan of the basin and subsequently requiring a formal response on the part of the Authority, shall be reviewed by the General Counsel and submitted to the Board of Directors for authorization to initiate any type of formal permit intervention.

### **4.2.6 CITATIONS**

All complaints or charges resulting from a violation of any state pollution prevention statute, rule, or regulation must be filed with the County Judge of the county where the offense occurred contingent upon:

- a. Completion of a thorough investigative report citing the statute(s) in violation with sufficient background data to substantiate the charge(s);
- b. Recommendation to the General Manager from the Investigating Officer for appropriate action to be taken by the Authority with alternatives, if applicable;
- c. Listing any other agencies involved in the investigation or having jurisdiction in the matter; and
- d. Receiving approval from the Authority's General Counsel prior to the filing of any charges by the Authority.

Any violation of the Pollution Control Laws encountered during the course of investigation shall be directed to the proper agency or agencies having senior jurisdiction over each violation.





## **CHAPTER 4**

### **4.3 WATER QUALITY MANAGEMENT PROGRAM**

#### **4.3.1 CHLORIDE CONTROL PROJECT**

The Authority was designated as the Local Sponsor of the Red River Basin Chloride Control Project on March 8, 1976 and is responsible for obtaining all permits, easements, and properties required to comply with the terms and conditions of the Memorandum of Understanding executed by the U.S. Secretary of the Army. The Authority is charged with coordinating the anthropogenic pollution control efforts of the state while the U.S. Army Corps of Engineers implements controls of natural pollution sources within the Red River Basin.

#### **4.3.2 WATER QUALITY MONITORING PROGRAM**

The Environmental Services Division shall be responsible for cooperating with the Texas Commission on Environmental Quality, Texas Water Development Board, the U.S. Geological Survey, the Texas Railroad Commission, and the Texas Parks and Wildlife Department in a joint effort to monitor the general water quality conditions of the Red River and its tributaries. Results of the monitoring program shall be maintained in database format and periodical reports provided the Board of Directors and other participating agencies to evaluate the progress of the anthropogenic and natural pollution control programs.

#### **4.3.3 CONTRACT SERVICES**

The Environmental Services Division may contract with outside entities in the conduct of regional water quality studies or pollution control programs. Subcontracts may be executed with professional consulting firms to assist the Authority with any study that falls within the scope of the Authority's Enabling Legislation. All contracts shall be approved by the Board of Directors prior to commencement of any pollution control projects or water quality studies.

### **4.4 OIL AND HAZARDOUS SUBSTANCE SPILLS**

#### **4.4.1 LEAD AGENCY**

Section 26.127 of the Texas Water Code establishes the Texas Commission on Environmental Quality (TCEQ) as the principal authority in the State of Texas on matters relating to the quality of water in the state. In addition, Chapter 26, the Texas Hazardous Substances Spill Prevention and Control Act (Chapter 26, Sub-chapter G, Texas Water Code) stipulates that it is the policy of this state to prevent the spill or discharge of hazardous substances into the waters in the state and to cause the removal of any spills and discharges without undue delay. The TCEQ shall be the state's lead agency in spill response, shall conduct spill response for the state, and shall otherwise administer the provisions of the Act.





## **CHAPTER 4**

In accordance to the State of Texas Oil and Hazardous Substances Spill Contingency Plan, the following agencies shall work with the TCEQ to protect the public during the occurrence and cleanup of a hazardous spill:

- a. Railroad Commission of Texas (RRC)
- b. Texas Department of Health (TDH)
- c. Texas Parks and Wildlife Department (TPWD)
- d. Texas Department of Public Safety (DPS)
- e. Texas General Land Office (GLO)
- f. Texas Department of Agriculture (TDA)
- g. Texas Department of Transportation (TXDOT)
- h. All Local Governmental Agencies

### **4.4.2 ESD's PARTICIPATION**

The Red River Authority of Texas shall participate and be listed with the Texas Commission on Environmental Quality (TCEQ) to be contacted in case of a spill entering the stream flow or major tributaries of the Red River. Once notified, the Authority will respond and assist in monitoring the cleanup activities.

Upon discovery by Authority personnel of any spill of a harmful quantity of oil and hazardous substances or other substances or threatened release, an immediate telephone or radio report must be made to the Assistant General Manager and/or the Director of Operations. Upon confirmation of the report, notification of the TCEQ will be made by calling the appropriate district or regional office during business hours or by calling the Texas Emergency Response Center (TERC) at (512) 463-7727.

### **4.4.3 INITIAL CONTACTS**

If the spill is obviously endangering the public health or welfare through traffic hazard, explosion, fire, noxious gas, water contamination, or other means, immediately notify the local fire department, law enforcement authority, or health authority as appropriate. When making these initial notifications one should attempt to provide, as a minimum, the following information:

- a. Name of caller and call back number;
- b. The exact location and nature of the incident;
- c. The extent of personal injuries and damage;
- d. The extent of fire;
- e. The wind direction and approximate velocity; and



## CHAPTER 4

- f. The material involved if easily identifiable through warning placard or warning label information. It is cautioned that only trained personnel should approach a fire or spill.

### 4.4.4 REPORTING

When making a telephone report to the TERC, the caller should be prepared to provide the following information, if at all possible:

- a. The date and time of the spill or release;
- b. The identity or chemical name of material released or spilled, as well as whether the substance is an extremely hazardous substance;
- c. An estimate of the quantity of material released or spilled and the time or duration of the event;
- d. The exact location of the spill, including the name of the waters involved or threatened, and/or other medium or media affected by the release or spill;
- e. The source of the release or spill;
- f. The name, address, and telephone number of the party in charge of, or responsible for, the facility or activity associated with the release or spill;
- g. The extent of actual and potential water pollution;
- h. The party at the release or spill site who is in charge of cleanup operations at the site and the telephone number of this party;
- i. The steps being taken or proposed to contain and clean up the released or spilled material and any precautions taken to minimize impacts, including evacuation;
- j. The extent of injuries, if any;
- k. Any known or anticipated health risks associated with the incident and, where appropriate, advice regarding medical attention necessary for exposed individuals;
- l. Possible hazards to the environment (air, soil, water, wildlife, et cetera). This assessment may include references to accepted chemical databases, Material Safety Data Sheets (MSDS), and health advisories. Estimated or measured concentrations of a contaminant may be requested by the TCEQ for the state's hazard assessment; and
- m. Identity of governmental and/or private sector representatives responding on-scene.

## **CHAPTER 5**

### **MAINTENANCE DIVISION**

# MAINTENANCE DIVISION

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## **GENERAL POLICY**

### **CHAPTER 5**

#### **5.1 MAINTENANCE DIVISION**

##### **5.1.1 INTRODUCTION**

The Authority owns and operates thirty-three (33) rural water systems over a fifteen (15) county service area and has a combined distribution network of over 1,202 miles of pipe. All of the systems are classified in the Utility Division and grouped in separate geographical service areas called districts. Each district is managed and operated by a District Manager and overseen by a Regional Manager under the direct supervision of the Assistant General Manager or the Utility Supervisor.

To assist the Utility Division with its general repair, replacement, and expansion requirements, and provide emergency service on a 24-hour basis, the Authority's Board of Directors established the Maintenance Division in 1982 as an internal utility service contractor.

The Board further authorized the Maintenance Division to function as an integral part of the Authority's operations under administration of the General Manager and provide equipment, materials, and personnel to perform its services to any division or district within the Authority, subject to the guidelines, as set forth herein. The Assistant General Manager or the Utility Supervisor shall function as the immediate supervisor with oversight on all operations and construction related projects. Maintenance Division Personnel are required to live within an approved response time area as determined by the General Manager.

##### **5.1.2 PURPOSE**

The Maintenance Division shall provide competent repair, replacement, and expansion service at a reasonable cost to any division of the Authority under the direction of the Regional Manager, or the District Manager having jurisdiction over the area where the service is to be performed.

By providing equipment and personnel available to other divisions on a 24-hour basis, the Maintenance Division can effectively reduce the overall maintenance cost and down time of each division it serves.

The Authority is responsible for providing the most efficient and economical service possible to the public, especially in the area of maintenance. Therefore, the Maintenance Division is likewise charged with fulfilling this purpose and on a priority type basis.



## **CHAPTER 5**

### **5.1.3 FUNDING**

The Authority shall provide the necessary capital to operate and maintain the Maintenance Division. However, the Maintenance Division is expected to be a self-sustaining, internal service fund of the Authority's overall operations.

The Board of Directors authorized the Maintenance Division to generate its own revenue through user fees and charges for services rendered and materials sold.

All fees and charges shall be fair, equitable, and competitive in structure to the current market of a similar type business.

## **5.2 GENERAL ADMINISTRATIVE PROCEDURES**

### **5.2.1 SCOPE OF SERVICES**

The Maintenance Division shall be responsible to perform acceptable work in accordance with the scheduled specifications provided in the following general categories:

- a. Routine and emergency repairs to transmission and distribution lines of any entity under contract for maintenance with the Authority;
- b. Repair or replacement of any Authority owned lines, valves, pumps, controls, connections, and associated facilities;
- c. Installation of new lines, meters, taps, or associated facilities to be owned by the Authority; and
- d. Determination of repairs for electrical or control equipment owned by the Authority.

### **5.2.2 PREPARATION OF WORK PLAN**

A detailed work plan shall be prepared by the Maintenance Supervisor, in conjunction with the District Managers, on all capital improvements describing all work related tasks to be conducted by the Maintenance Division and submitted to the Regional Manager for review and approval. The work plan shall include, but not be limited to, the following information:

- a. Prepare a brief narrative description of the work to be performed including geographical location.
- b. If work is to be done on an existing pressure plane, perform a hydraulic test to substantiate the projected additional consumption or demand.
- c. Prepare an Estimate of Cost for the extension and verify that the materials to be used comply with the Authority's general design specifications.



## **CHAPTER 5**

- d. Verify and acknowledge that all easements or full right-of-way has been properly obtained and notify all property owners prior to access for construction.
- e. Verify and acknowledge that all other utilities have been located and proper notification provided.
- f. Verify and acknowledge that the applicant(s) or customer(s) have executed the proper service contract and paid the total extension cost together with the tap fee(s) and deposit(s).

### **5.2.3 WORK ORDER APPROVALS**

The Assistant General Manager or the Utility Supervisor shall be in charge of all activities of the Maintenance Division and shall provide final approval for any scheduled work to be performed prior to commencement.

### **5.2.4 CONSTRUCTION**

Refer to the Contractor Specification Manual for details concerning all construction and safety procedures.

### **5.2.5 WARRANTIES**

The Maintenance Division shall warranty all workmanship for a period of one (1) full year from the date of completion.

- a. All in-warranty work shall be performed without charge of labor or equipment used.
- b. All materials provided by the Maintenance Division shall be warranted in accordance with the manufacturer's warranty or one (1) year, whichever is less.

### **5.2.6 INVOICES**

All Maintenance Division personnel shall record all materials and labor on an approved invoice and file it with the Regional Manager by the fifth (5<sup>th</sup>) day of the month following the date the work was completed.

All invoices must bear the signature of the Maintenance Division personnel performing the work and the person or persons authorizing payment.

The invoice must be filled out with all the information necessary and signed by the proper officials as soon as the work has been completed.



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A schedule of examples is provided for instruction in completing the invoices properly. Should questions arise on a particular project, the Regional Manager or the Utility Supervisor should be contacted.

### **5.2.7 INVENTORY**

The Maintenance Division shall maintain an adequate stock of commonly used repair or replacement parts to be used within the Utility Division. An inventory of all materials shall be kept and recorded on an approved invoice as used. All materials maintained in inventory stock shall be invoiced out at 1.4 times the highest quantity purchase price.

Since most of the systems within the Utility Division are not capable of producing enough working capital to inventory materials, the Maintenance Division is authorized to provide most commonly used materials or an adequate inventory.

Revenue generated through the Maintenance Division may be used to provide this inventory and charged to the system at the time materials are actually consumed.

The inventory shall be established by taking competitive bids on the commonly used materials periodically to maintain an adequate stock. All bid proposals in excess of \$5,000.00 shall be approved by the General Manager prior to acceptance. Bid proposals in excess of \$50,000.00 shall be approved by the Board of Directors.

All materials shall be physically inventoried by the Regional Managers and a report supplied to the main office within thirty (30) days after the close of each fiscal year.

### **5.2.8 EQUIPMENT MAINTENANCE**

All Maintenance Division personnel shall be held personally responsible for the proper care and use of all assigned equipment.

All equipment assigned to the Maintenance Division shall be serviced in accordance with the manufacturer's operating manual or more often if subjected to adverse working conditions. A routine maintenance schedule and log shall be provided each employee who operates any equipment. The log must be maintained current and available for inspection at all times.

Any employee found to be negligent in the proper care and use of any type equipment shall be subject to termination.

The Authority provides all personnel with the essential tools and supplies necessary for the accomplishment of his or her duties. It is the responsibility of each employee to care for





## **CHAPTER 5**

these tools and keep an adequate supply of replacement parts on hand to expedite emergency repairs.

### **5.2.9 SCHEDULE OF FEES AND CHARGES**

A schedule of fees and charges shall be provided to all Maintenance Division personnel and published for each division utilizing its services. All fees and charges established for the Maintenance Division shall be subject to the approval of the Board of Directors annually during the budget process. Fees and charges are posted in the Utility Division Rate Schedule, and the Maintenance and Utility Division Schedule of Fees and Charges, as adopted by the Board of Directors in the Annual Operating Budget of the Authority.

Materials charges shall be assessed at the following rates:

Prepaid Inventory	Cost plus 40%
All Other Purchases	Cost plus 40%

All time and mileage expended by maintenance personnel while assisting District Managers will be charged to the utility system receiving the service. In cases where maintenance equipment is utilized by utility personnel, only equipment time rates and mileage will apply.

## **5.3 GENERAL SPECIFICATION MANUAL**

### **5.3.1 OVERVIEW OF SPECIFICATIONS**

A general specifications manual is provided as a guide relevant to the type of work to be performed by the Maintenance Division.

The manual should be considered a minimum standard of performance for the Maintenance Division and the quality of work expected by the Authority.

No exception shall be made to these specifications without the express approval of the Project Engineer or General Manager and then, based only upon the recommendation of the Assistant General Manager and the Utility Supervisor.

The manual is also provided as basic instruction and reference for all maintenance personnel and is intended to be utilized in the performance of all related repair, replacement, or expansion duties.

### **5.3.2 CONTRACT SERVICES**

The Maintenance Division may, under certain circumstances, contract operations for utility related services outside the Authority. The intent shall be limited to assisting other publicly owned utilities operating within the Utility Division's service area experiencing emergency conditions and shall be subject to approval of the Assistant General Manager.

## **CHAPTER 6**

### **COMMUNICATIONS DIVISION**

# COMMUNICATIONS DIVISION

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## **GENERAL POLICY**

### **CHAPTER 6**

#### **6.1 COMMUNICATIONS DIVISION**

##### **6.1.1 INTRODUCTION**

The Authority is licensed by the Federal Communications Commission to operate a complex voice and telemetry radio system in the conduct of its overall business activities.

The system is designed to allow all personnel to perform their duties more efficiently while conserving both time and energy.

The central control station is located in Wichita Falls, Texas with repeater stations situated in key geographical positions to allow constant voice contact with the main office and other personnel throughout the active service area of the Authority.

The master design plan is constantly being upgraded to meet the communications needs of all personnel throughout the basin as an internal service agency to each division of the Authority.

A Customer Service Representative is provided to monitor and dispatch all of the Authority's communications traffic and is responsible for the proper operation of the radio equipment under the direct supervision of the Assistant General Manager and/or the General Manager.

##### **6.1.2 PURPOSE**

The principal purpose of the Communications Division is to provide all Authority personnel with the necessary means of obtaining voice contact with the main office and each other during the course of conducting various business activities and for safety purposes.

A secondary purpose of the Communications Division is to provide a means to alert the key management personnel within the Utility Division of any malfunctions of facilities within their service area.

Since all records are kept and maintained at the main office in Wichita Falls, it is imperative that all field personnel remain in constant contact with the office. Therefore, voice communications are made possible through various repeater stations throughout the entire active service area.

With the aid of a computer, all field personnel may obtain immediate information concerning any records or accounts relevant to the accomplishment of their assigned duties and thus, enable the employee to proficiently manage their respective service area.



## **CHAPTER 6**

### **6.1.3 FUNDING**

The Authority shall provide the capital outlay necessary to purchase all communication-related equipment. The Communications Division shall recover the cost of operating through the leases of communications equipment to the various divisions which utilize it.

Each division shall pay an amount proportional to the type and quantity of equipment utilized in the course of its business activities.

In addition, the Communications Division may lease the use of its stationary equipment to other public or private business enterprises which operate within designated portions of the Authority's service area on a limited use basis.

Any excess revenues gained through the lease of the Communications Division's equipment or service to outside parties shall be used to reduce or defray the overall cost of operating to the division.

### **6.1.4 AREA OF COVERAGE**

The specified area of coverage shall be all of the Authority's legal jurisdiction or 43 counties in Texas. Refer to the Communications Vicinity Map, Figure 3, on Page 6-3 for details.

## **6.2 SCOPE OF SERVICES**

### **6.2.1 GENERAL SYSTEM DESIGN**

The Authority's communications system was originally designed in 1975 with three (3) phases to be completed as the need dictated. The master plan of operation included the entire active service area within the Red River Basin with the provision for expansion to the full service area as needed. See attached Master Diagram and Area Map for details.

The system is designed to provide dependable voice communications to or from any mobile unit operating within the area of operation and the main office. In addition, each mobile unit may communicate with each other over extended distances through the use of one or more of the relay stations strategically placed through the service area.

Through the use of operational fixed stations, a mobile unit may communicate with the main office directly from anywhere within the active service area.



Graphic Scale in Miles

## Communications Vicinity Map

### LEGEND

- Mobile Relay Station
- Fixed Control Station
- Fixed Control/Base
- Mobile Area of Coverage (20 db Quieted)

### Figure 3



## **CHAPTER 6**

### **6.2.2 STANDARD VOICE COMMUNICATIONS**

Voice communications are accomplished through a very high frequency (VHF) utilizing frequency modulated (FM) carrier on radio channels assigned to the Authority by the Federal Communications Commission.

In addition to voice communication with each other and the office, the same equipment provides a common carrier for data and/or limited telemetry communications without interruption of normal radio traffic.

### **6.2.3 TELEMETRY CONTROL COMMUNICATIONS**

The use of supervised control and data acquisition (SCADA) telemetry provides early warning of equipment malfunctions and can allow the operator to interrogate the station for diagnostic purposes to determine the cause of the malfunction and proposed method of repair. The telemetry provides other data such as tank levels, flow and pressure to the mobile operator, and/or remote points of control upon request.

### **6.2.4 EQUIPMENT LEASE PROGRAM**

The Communications Division may lease any communications-related equipment to other divisions within the Authority on an actual cost basis.

Communications equipment may also be leased to outside public and/or private entities. A separate lease agreement shall be prepared and executed by the Authority and the leasing entity for a term not less than one year with yearly options for renewal. All leases shall be executed by the General Manager upon an agreement approved by the Authority's General Counsel. The terms and conditions of which may be subject to change or modification based upon General Counsel's approval.

## **6.3 GENERAL OPERATING PROCEDURES**

### **6.3.1 RADIO STATION LICENSE**

The Federal Communications Commission requires that all stations licensed under Part 90 of the FCC Rules and Regulations and operated in the Local Government Radio Service be operated solely for the licensee's business activities.

All personnel shall observe the following basic operating procedures for compliance with the FCC Rules and Regulations.



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### **6.3.2 STATION IDENTIFICATION**

Each station (transmitter) must be identified by unit number and/or station call sign at the beginning and end of each voice transmission.

All authorized transmissions are not to exceed two (2) minutes of continuous duration without a break for station identification.

The channel should always be monitored before transmitting to avoid transmitting when other stations are communicating.

### **6.3.3 TRANSMITTING TECHNIQUES**

It is a good practice for each radio operator to obtain an adequate working knowledge of the equipment, its designed function, and the limits of operation.

A unit identification schedule is provided each radio operator which denotes all operators by unit numbers and their assigned general service area or control location.

A radio schedule and location is provided each radio operator to allow the use of any relay or control station necessary in the performance of their duties.

The Master Diagram provides the radio operator with a fundamental description of the system's function and coded link to other points of control.

A mobile operator may access any control to communicate with the main office through the use of a relay station closest to the vehicle. The appropriate relay may be accessed from the vehicle by selecting one of the five station tone codes corresponding to the relay of the operator's choice.

The area map provides the radio operator with the normal radius of mobile operation to each active relay station.

- a. The average range a mobile unit can access a relay station during normal atmospheric conditions is 50 miles. The location of the vehicle with respect to obstructions and elevation will have a major bearing on the useful operating range of the mobile unit. Oftentimes, relocating the vehicle away from obstructions (buildings, electric lines, etc.) or to a higher ground elevation can improve the quality of voice communication.
- b. It is also a good practice to keep the vehicle engine running, speak at a normal voice level and directly into the microphone.





## **CHAPTER 6**

- c. It is imperative to be sure that the vehicle antenna is clean, erect, secure, the proper length, and away from any foreign object when transmitting.
- d. The vehicle antenna is the most important part of the mobile radio system. Always be aware of its existence and guard against damage to it.

The control stations operate in the same manner as a mobile unit, except they are stationary or at a fixed location. Control and mobile stations may communicate with each other in the same manner as previously described.

The Authority's Communications System is designed for an extended area of operation. In many areas voice communications can be received throughout the north Texas and southern Oklahoma region.

- a. All radio operators must use common courtesy when transmitting.
- b. Limit all radio traffic to a business nature suitable for monitoring by the general public.

### **6.3.4 UNAUTHORIZED COMMUNICATIONS**

Communication to other stations not licensed under the Authority's permit is strictly prohibited. The only exception with regard to the safety of life or the protection of property is an emergency situation. Any emergency communication must be logged by the Customer Service Representative together with date, time, units involved, and nature of the emergency.

It is unlawful to use profanity or useless small talk (idle chatter) over the airways of a state business radio.

### **6.3.5 INTERAGENCY COMMUNICATIONS**

The Authority is licensed to operate on the Intercity Law Enforcement channel for communications with local law enforcement agencies. All interagency communications with law enforcement officials shall be limited to emergency contact for support activities or under a joint use agreement for investigative purposes with the consent of the cooperating agency.

### **6.3.6 RADIO PAGING SYSTEM**

The Authority is licensed to operate a tone and voice radio paging system in conjunction with the normal communications system and within the scope of regular business activities. Radio paging will be utilized only when other available means of communications are not available. All personnel assigned a personal pager shall care for same with the utmost sincerity.



## **CHAPTER 6**

### **6.3.7 AUTHORIZED 10-CODE USE**

Each radio operator shall be provided selected excerpts of the National 10-Code for use in the Authority's routine business activities. All employees utilizing a 2-way radio should commit the basic 10-Code to memory and use it accordingly.

### **6.3.8 CELLULAR PHONE USE**

Certain employees will be issued cellular phones. The cellular phones are provided for contact with customers, utilities, contractors, suppliers, and other employees under emergency conditions. The cellular phones are not intended to replace the radios and should only be utilized when the use of the radio is ineffective or when the information being communicated is of a sensitive nature.

Personal cellular phones should not be utilized except on breaks and during the lunch hour, unless an emergency arises.

## **CHAPTER 7**

### **FISCAL SERVICES DIVISION**

# FISCAL SERVICES DIVISION

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## **GENERAL POLICY**

### **CHAPTER 7**

#### **7.1 FISCAL SERVICES DIVISION**

##### **7.1.1 INTRODUCTION AND PURPOSE**

The Authority has been charged by Acts of the Texas Legislature (Article 8280-228, §1-31, VATCS) to fulfill the purpose for which it was created. In order to fulfill this purpose, the Authority was vested with the power and capabilities of incurring debt, expenses, and generating revenue.

The Authority must conduct its affairs in accordance with all applicable state statutes and sound business practices. Therefore, the proper accounting of all financial transactions in the course of its business activities becomes the one most important elements in sustaining the Authority's existence and maintaining its integrity as an agency of the state.

In discharging its primary customer and public service responsibilities, the Authority recognizes the importance of maintaining its financial integrity and accountability to the public it serves. The Authority's primary goal is to provide its services at the lowest possible cost consistent with high standards of reliability and ethical conduct.

To maintain accountability and compliance with the statutes (Article 8280-228, §9, VATCS and Texas Water Code, §50.371 — 50.379), a separate computer network and software, Tyler Technologies Incode Version 9 (Incode), shall be used to account for each fund type as a separate fiscal entity which the Authority controls.

The Authority has been divided into eight (8) proprietary funds in accordance with the guidelines set by the Governmental Accounting Standards Board to properly govern and manage each segment of its various activities. The proprietary funds are further divided into two (2) major and two (2) minor enterprise funds and four (4) internal service funds.

Each fund type is categorized according to its specific function relevant to the guidelines set forth by Generally Accepted Accounting Principles (GAAP) for governmental entities. The objective of this method is to account for all transactions and provide an accurate record for the individual fund in order to report each on separate, but interactive financial statements.

##### **7.1.2 OBJECTIVES**

The primary financial objectives of the Authority shall be to maintain a high level of financial stability, to not compromise its long-term financial integrity to achieve short-term benefits, and to provide the most effective and efficient public service possible within the scope of Article 8280-228, §1-31, VATCS.



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### **7.1.3 REVENUES**

The Board of Directors shall establish rates, charges, and fees in accordance with Article 8280-228, §26 (e), VATCS for all services it renders that are adequate to support the conduct of its activities in a fair and equitable manner, including funds which are dedicated to support its ongoing programs and maintain its debt service requirements.

The Fiscal Services Division will endeavor to maintain actual debt service ratios in accordance with the minimum coverage requirement of the bond ordinances to provide a margin of safety and financial stability. Revenue levels will be evaluated and adjusted periodically and consistent, with sound financial management practices and the ordinances authorizing the debt.

The rates, fees, and charges shall be set by the Board of Directors to provide the required revenue base for its services based upon an equitable allocation of costs. All rates and charges shall be based on actual costs with respect to the types of service provided with a reasonable return on investment (ROI). In cases of water or environmental services, where the value of service often differs from the allocated cost method, the Fiscal Services Division may employ other appropriate pricing and costing methods in accordance with guidelines set forth by the Public Utility Commission rules and regulations.

### **7.1.4 RESPONSIBILITY AND ACCOUNTABILITY**

The Fiscal Services Division shall be headed by an accountant in the position of Controller, who shall be responsible for all the fiscal administration of the Authority. The Controller may be assisted by accounting clerks and an independent external auditor in the competent maintenance of all funds and the preservation of the Authority's financial integrity. The Controller will perform the duties in accordance with a detailed job description under the direct supervision of the General Manager.

- a. All personnel associated with the Fiscal Services Division shall conduct the Authority's business activities in a manner in which adequate internal controls are observed to protect and preserve the fiduciary trust and financial integrity of the Authority in accordance with Generally Accepted Accounting Principles (GAAP) for units of government.
- b. The Executive Committee of the Board, the General Manager, the and Controller shall comprise the standing committee for audit and budgetary review prior to submission to the Board of Directors for adoption, and shall, from time to time, review this policy and make recommendations to the Board for appropriate revisions to ensure the highest level of professional financial integrity and accountability.



## **CHAPTER 7**

- c. The Fiscal Services Division shall prepare and file budgetary reports relevant to the services rendered by the Authority with an opportunity to review and comment prior to inclusion into the overall operating budget.

This policy section shall provide the essential guidelines and procedures of operation for the Fiscal Services Division, and shall provide compliance objectives of the Authority's Bylaws, Enabling Legislation Article 8280-228, §1-31, and TWC 50.381, as amended.

### **7.2 DIRECT FINANCING**

#### **7.2.1 GENERAL LONG-TERM DEBT**

The Authority has utilized a combination of equity and long-term revenue bonds to finance capital projects and subsequent additions or expansions in accordance with Article 8280-228, §26 a – g, VATCS.

Long-term revenue bonds are particularly appropriate in situations where it is desirable to spread the cost of capital assets over their useful lives. In this method, both current and future beneficiaries of the projects are allocated an equitable portion of the cost of the facilities used to provide their service.

Capital market considerations require an equitable base to support long-term financing. Therefore, the Fiscal Services Division shall attempt to balance its long-term debt financing from sufficient funds of operations to protect the Authority's financial integrity and maintain its access to the bond market. Typical amortization periods range from 20 to 50 years.

#### **7.2.2 CAPITALIZATION**

The Fiscal Services Division may capitalize interest from bond proceeds for an appropriate period of time to partially defer the rate impact of debt service requirements until the asset being financed is placed into service. Additionally, interest earned during the period of construction from the bond issuance will be utilized to reduce the size of the bond issue.

### **7.3 INVESTMENT POLICY**

#### **7.3.1 GENERAL INVESTMENT POLICY**

The investment policy of the Authority shall be to provide for the proper administration of funds and the prudent investment of those funds to ensure the public trust is maintained.

Investments shall be made and monitored in a manner which will provide maximum security and preservation of principal invested through limitations and diversification while meeting the daily cash flow needs of the Authority.





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The receipt of reasonable market rate of return on invested funds shall be secondary to the objective of safety and liquidity. It shall be the intent of the Authority to maintain full compliance with the Public Funds Investment Act, Chapter 2256, the Collateral for Public Funds Act, Chapter 2257 of the Texas Government Code, and provisions of bond ordinances or resolutions concerning the authorized investment of debt service funds.

### **7.3.2 INVESTMENT OFFICER**

The investment officer(s) of the Authority shall be the General Manager and the Controller. It shall be the responsibility of the Authority's investment officer(s) to invest, reinvest, and monitor all invested funds of the Authority in accordance with this policy to meet the fiscal requirements of the Authority.

The investment officer(s) shall be responsible for all transactions undertaken, and shall establish a system of internal controls to ensure that no officer or staff may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Board of Directors.

The internal controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by the officer and staff. The internal controls shall be reviewed annually by the Authority's independent auditor to ensure compliance and adequacy.

### **7.3.3 INVESTMENT COMMITTEE**

An investment committee shall consist of the Executive Committee of the Board of Directors, General Manager, and Controller. The investment committee may elect to include the Authority's Financial Advisor and external auditor, or other members of staff or consultants as deemed necessary to achieve the best professional judgment for administration of the Investment Portfolio. The investment committee shall review and approve the Investment Policy, strategy and annual investment activity reports prior to submission to the Board of Directors.

### **7.3.4 INVESTMENT OBJECTIVES**

The Authority's investment portfolio shall be designed, managed, and monitored in a manner consistent with the Authority's responsibilities as a steward of public trust. In addition, the portfolio shall be managed in accordance with Texas Government Code, Chapter 2256 (the Public Funds Investment Act), any procedures set forth in bond resolutions or orders, and resolutions of the governing board. It shall be the policy of the Authority that all funds shall be managed and invested with four primary objectives, listed in order of their priority:

- a. ***Safety and preservation of principal:*** Safety of principal shall be the foremost objective of the Authority. Investments of the Authority shall be undertaken in a



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manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain and maintain this objective, diversification is required in the portfolio's composition. The suitability of each investment decision shall be made on the basis of this objective.

- b. **Liquidity:** The Authority shall maintain sufficient liquidity to provide for adequate and timely availability of funds necessary to pay all debt obligations as they become due and meet all operating requirements which might be reasonably anticipated.
- c. **Diversification:** Diversification of the portfolio shall be accomplished by segregating categories of maturity and market sector and shall include the use of more than one but less than twelve (12) broker/dealers or depositories for diversification and market coverage.
- d. **Yield:** The Authority's portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Authority's risk constraints and cash flow of the portfolio. A baseline market rate of return shall be defined as the average yield of the current three month United States Treasury Bill or such other index that more closely matches the average maturity of the portfolio.

Effective cash management is recognized as essential to good fiscal management. Cash management shall be defined as the process of managing monies in order to ensure maximum cash availability. The Authority shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of idle cash, disbursement of payments in accordance with invoice terms, and the management and oversight of banking services.

To the extent that the principal is protected, the Authority's funds shall be invested to yield the highest possible rate of return, taking into consideration the strength of the financial institution, and any Internal Revenue Code regulations and procedures set forth in any bond resolutions or orders requiring yield restrictions.

The Authority's investments shall be made with the exercise of good judgment and standards of care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The investment officer(s) shall ensure that reasonable internal controls are established and maintained to protect the portfolio from unauthorized or erroneous transactions.

### 7.3.5 TYPES OF AUTHORIZED INVESTMENTS

Authorized investments under this policy shall be limited to the selection of instruments meeting portfolio qualifications as listed below. The investments shall be chosen in a



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manner which promotes diversity of market sector and conservative maturity. The choice of only high-grade government securities and high-grade money market funds is designed to assure optimum marketability of those investments should liquidity needs arise.

Authority funds shall be invested and reinvested by the Authority's investment officer(s) only in the following types of investment securities:

- a. United States Treasuries and securities guaranteed by the United States Government not to exceed three years to stated maturity and with an investment limitation of up to 50% of the Authority's average monthly cash balance;
- b. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises as defined in the Public Funds Investment Act, Chapter 2256.009 not to exceed three years to stated maturity and with an investment limitation of up to 50% of the Authority's monthly average cash balance;
- c. Fully insured or collateralized certificates of deposits from a bank domiciled in the State of Texas and under the terms of a written depository agreement with that bank having a maturity not to exceed the term of the depository agreement (three years) and up to 60% of the Authority's average monthly cash balance;
- d. Repurchase agreements and reverse repurchase agreements as defined in the Public Funds Investment Act, Chapter 2256.011 not to exceed 90 days to stated maturity and fully collateralized by obligations of the United States Government or its principalities with an investment limitation of up to 50% of the Authority's average monthly cash balance;
- e. No-load SEC regulated money market funds having a dollar-weighted average portfolio maturity of 90 days or less with an investment limitation of up to 80% of the Authority's monthly average cash balance.
- f. Texas local government investment liquidity pools as defined by the Public Funds Investment Act having a dollar-weighted average maturity of 90 days or less with an investment limitation of up to 80% of the Authority's average monthly cash balance.

Investment instruments purchased by the investment officer(s) shall have remaining maturities, at time of purchase, less than or equal to three (3) years, except funds restricted to the Debt Service Reserve Fund, which may be extended to a maximum maturity of six (6) years or less and not to exceed the fund limit as set by resolution.

It shall be the policy of the Authority that all funds not invested in eligible securities as described in this section shall be deposited in an account insured by the FDIC, or by collateral pledged to, and at all times having a minimum market value equivalent to one



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hundred two percent (102%) of the principal amount not insured.

There shall be no sharing, splitting, or co tenancy of collateral with other parties or entities. The investment officer shall ensure that the custodian of the collateral shall be an independent third party Texas financial institution, which the collateral shall be pledged only to the Authority and shall obtain safekeeping receipts from the financial institution clearly identifying that the collateral is held in the name of and in behalf of the Authority.

### **7.3.6 PERFORMANCE EVALUATION AND REPORTING**

The Controller shall monitor all invested funds by sector and type at least monthly with prevailing market conditions monitored on a daily basis. A written report shall be submitted to the Board of Directors quarterly and annually concerning the Authority's investment transactions for the preceding periods and containing sufficient information to permit the reader to be informed and evaluate the performance of the investment activities. The investment activity report shall contain, as a minimum:

- a<sup>1</sup>. Beginning and ending book value by market sector type;
- b<sup>1</sup>. Beginning and ending market value by market sector;
- c<sup>1</sup>. A transactions inventory which changed market and book value detailing each asset by purchase date, cusip number, security type, par, coupon, and maturity date;
- d<sup>1</sup>. Purchase price, purchase yield, purchase principal, current book value, market price; and
- e<sup>1</sup>. Unrealized gains or losses, and current days to maturity.

A monthly investment summary report shall be prepared by the Controller and provided as a subsidiary statement to be included with the Authority's monthly financial statements to the Board of Directors containing, as a minimum:

- a<sup>2</sup>. Present book value by market sector type;
- b<sup>2</sup>. Present market value by market sector type;
- c<sup>2</sup>. Earnings for the period ending by market sector type;
- d<sup>2</sup>. Yield at maturity by market sector type;
- e<sup>2</sup>. Percent of portfolio by market sector type;



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- f<sup>2</sup>. A graphic trend analysis of monthly average yield of the portfolio as compared to the previous twelve months;
- g<sup>2</sup>. A graphic comparative analysis between the average monthly yield of the portfolio to a representative baseline market index; and
- h<sup>2</sup>. A monthly transactions report detailing the purchases and sales by settle date, cusip number, security type, par, coupon, maturity date, purchase price, purchase yield, purchase principal, settlement total, and gain or loss.

### **7.3.7 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

Funds of the Authority shall be invested by the Authority's investment officer in strict accordance with this policy. All investments made by the Authority will be conducted through either the Authority's banking services trading desk, a primary dealer, or the Authority's Financial Advisor.

The Authority shall establish and maintain a list of no more than twelve (12) financial institutions which are authorized to provide investment services. The Authority shall conduct an evaluation of the institutions creditworthiness at least annually or more often as deemed necessary.

Each financial institution with whom the Authority transacts business will be provided a copy of this policy to ensure that a clear understanding of the goals and objectives of the Authority's investment program is obtained. Each participating institution including brokers or dealers will be required to return an affidavit acknowledging receipt of the policy, their review and general understanding, and their implementation and use of adequate internal controls.

### **7.3.8 SAFEKEEPING AND COLLATERALIZATION**

Chapter 2257, Texas Government Code (Collateral for Public Funds Act), and prudent fiscal management require that all purchased securities be bought on a delivery versus payment basis and held in safekeeping by either the Authority, an independent third party financial institution, or the Authority's designated depository.

All safekeeping arrangements shall be designated by the investment officer and an agreement of the terms executed in writing. The third party custodian shall be required to issue safekeeping receipts to the Authority listing each specific security, rating, description, maturity date, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the Authority or pledged to the Authority.

All securities pledged to the Authority for certificates of deposit or demand deposits shall be held by an independent third party bank domiciled or having a branch in Texas.



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The safekeeping bank may be within the same holding company as the bank from which the securities are pledged.

Collateralization shall be required on two types of investments:

- a. Certificates of deposits over the FDIC insurance coverage of \$100,000; and
- b. Repurchase agreements.

In order to anticipate market changes and provide a reasonable level of additional security for all funds, the collateralization level required shall be 102% of the market value of the principal and accrued interest.

### **7.4 DEPOSITORY RESTRICTIONS AND SECURITY OF FUNDS**

#### **7.4.1 STATUTORY OBLIGATIONS**

In accordance with Article 8280-228, §23, VATCS, all funds of the Authority, except that of petty cash, shall be deposited within 24-hours of receipt to the credit of the Authority in banks as the Board may from time to time designate, and upon such terms and conditions as shall be fixed by the Board and/or the Executive Committee of the Board, unless otherwise stipulated by resolutions authorizing the issuance of the Authority's bonds or notes.

#### **7.4.2 TYPES OF DEPOSITORY**

The Authority shall utilize as depositories only federal or state chartered banking institutions within the territorial jurisdiction of the Authority (Article 8280-228, §23, VATCS). The only exception shall be those depositories utilized for paying agent purposes.

- a. All funds held by the depository shall be collateralized at all times in accordance with Chapter 2257, Texas Government Code (Collateral for Public Funds Act) either by investment securities which have been approved by the Board of Directors to the extent not covered by the FDIC. Investment securities pledged as collateral shall at all times be equal in market value to the amount of funds on deposit plus interest accrued and to accrue thereon, to the extent not covered by the FDIC.

The Board of Directors approved by resolution on October 17, 1990, the use of the State Treasurer's Texas Local Government Investment Pool (TexPool) as a depository of the Authority's restricted and non-restricted cash reserves. All transactions with TexPool accounts shall be for investment purposes and conducted in accordance with the terms and conditions of Section 7.3.



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### **7.4.3 DISBURSEMENT OF FUNDS**

All checks, drafts, vouchers, or other orders for payment of funds shall be disbursed in numerical order and bear two signature authorizations; one of which shall be the General Manager's and the other a designated employee, as approved by the Board of Directors. Additionally, ePayment methods, such as Electronic Funds Transfer (EFT), which includes Automated Clearing House (ACH) and wire transfers, must be authorized by the General Manager.

### **7.4.4 PERSONNEL SURETY BONDS**

Each officer or employee who bears the responsibility of disbursing the Authority's funds shall be bonded by a reputable surety company in an amount not less than \$100,000.

## **7.5 FINANCIAL STATEMENTS**

### **7.5.1 PERIOD OF REPORTING**

Financial statements shall be generated from Incode to produce an accurate disclosure of all transactions performed during each accounting period. The accounting period shall be scheduled on an end-of-month basis within forty-five (45) working days after the close of books to each period for submission to the General Manager and presentation to the Board of Directors.

### **7.5.2 TYPE OF STATEMENTS PRESENTED**

A complete set of financial statements shall be prepared and submitted to the Board of Directors for each fund type including budget versus actual (if applicable). The financial statements shall include, but not limited to, a statement of:

- a. Combined income and expense;
- b. A combined balance sheet;
- c. Cash receipts and disbursements;
- d. A comparative statement of cash as reconciled to the depository; and
- e. A summary statement of all invested funds;

### **7.5.3 CERTIFICATION OF STATEMENTS**

All financial statements, subsidiary ledgers, journals, or work papers shall be compiled and certified by the Controller on a monthly basis subject to the approval and acceptance of the General Manager prior to the release of any documents.





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### **7.6 ANNUAL AUDIT REPORT**

#### **7.6.1 AUDIT FILING CRITERIA**

The Authority shall be responsible to the Texas Commission on Environmental Quality, the State Auditor, other state and federal agencies, and all holders of the Authority's debt for the prompt filing of a Comprehensive Annual Financial Audit Report in accordance with Article 8280-228, §9, VATCS and Texas Water Code, §50.374.

The annual report shall be filed within one hundred thirty-five (135) days from the close of books at September 30 of each fiscal year. Sufficient reports shall be prepared and distributed to an approved list of recipients with one (1) copy retained at the Authority's Library as permanent records and available for public viewing.

#### **7.6.2 EXTERNAL AUDITOR SELECTION**

The Board of Directors shall approve and retain, with due consideration of advice and recommendations of the General Manager and Controller, an independent Certified Public Accounting firm who shall be experienced and qualified in the accounting and auditing of governmental agencies. The accounting firm selected by the Board of Directors may also provide consulting services for the Authority in addition to their duties in connection with the annual audit.

#### **7.6.3 AUDIT REPORT CONTENTS**

The preparation of the annual audit report shall be conducted in accordance within generally accepted auditing standards for governmental entities and shall satisfy all requirements imposed by Article 8280-228, §9, VATCS and other applicable statutes relating to material content. The General Manager and Controller shall ensure that all Authority records are made available to the auditors. The report shall contain additional information concerning the status of all programs in which the Authority is engaged. The report shall include the following general criteria:

- a. The status of the Authority's programs to develop, preserve, and protect the water resources within its boundaries;
- b. The consistency of operation within the scope of the Authority's Enabling Legislation;
- c. The financial report reviewed and approved by the Executive Committee of the Board, including a report on the performance and security of the Authority's funds and investments;
- d. A report on the status of any capital development or improvement projects of the Authority;





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- e. A narrative overview of the goals and objectives for the ensuing year; and
- f. A complete financial disclosure of the Red River Industrial Development Authority including outstanding debt.

### **7.6.4 AUDITOR'S MANAGEMENT REPORT**

A Management Report shall be prepared by the external auditors for submission to the Executive Committee during its review process and the Board of Directors. The external auditor shall provide oral comments regarding the management letter to the Board of Directors in a regular meeting at which time the annual audit report is presented.

The General Manager and Controller shall be provided an opportunity to review the proposed report as to content, and comment as may be appropriate. The Management Report shall not be subject to management's approval or edification.

### **7.6.5 ADMINISTRATIVE AUDIT**

Pursuant to the Texas Water Code, §12.081, §§292.13(6); an independent management audit of the Authority's general administration shall be conducted once every five (5) years or more often as the Board of Directors may require.

The administrative audit shall include, but not be limited to the following criteria:

- a. A random examination of the methods and procedures employed in the course of administering the Authority's business activities;
- b. A review of the overall effectiveness of the general policy noting any material weaknesses that may be observed concerning its interpretation, implementation, and compliance;
- c. A review of personnel management practices at all levels with respect to unit effectiveness, performance efficiency, productivity, and discrimination; and
- d. A report shall be prepared of the findings and submitted to the Board of Directors for review within 135 days after initiation of the administrative audit.

# APPENDICES

# **APPENDIX — A**

## **ENABLING LEGISLATION**

# **Red River Authority of Texas**

## **Article 8280-228 VATCS**

*(As Amended)*

**Section 1.** Pursuant to and as expressly authorized by Article XVI, Section 59 of the Constitution of the State of Texas, there is hereby created within the State of Texas, in addition to the conservation and reclamation districts into which the state has heretofore been divided, a conservation and reclamation district to be known as “**Red River Authority of Texas**” (*hereinafter referred to as the “Authority”*), which shall be a governmental agency of the State of Texas, a body politic and corporate.

**Section 2.** The area of the Authority is hereby established to comprise the whole of all counties in Texas lying wholly or in part within the watershed of the Red River and its Texas tributaries whose confluences with the Red River are upstream from the Northeast corner of Bowie County, Texas, as the same is made certain by contour maps now on file in the office of the Texas Department of Water Resources. Reference is hereby made to said records and maps in aid hereof. In addition to the counties lying wholly or in part within the watershed, the area of the Authority shall also comprise the whole of the following Texas Counties: Hutchinson, Hartley, Lamar, Lipscomb, and Red River Counties. For the limited purpose stated in Section 14d of this Act, the Authority shall include Bowie County. No defect or irregularity in the boundary, overlap or conflict of the boundary with other Authorities or districts shall in any manner affect the validity of the Authority hereby created. It is hereby found and determined that all of the territory comprising said Authority will be benefited by the exercise of the powers, rights, privileges and functions conferred by this Act. Except as provided by Section 14d of this Act, none of the provisions of this Act shall apply to the following Counties: Delta County, Hopkins County, Franklin County, Titus County, Morris County, Cass County, Marion County, and Bowie County.

*(Amended by Acts 1975, 64<sup>th</sup> Legislature, Page 550, Chapter 217, Section 1, Effective May 19, 1975; Acts 1977, 65<sup>th</sup> Legislature, Page 1,331, Chapter 529, Section 1, Effective August 29, 1977, Acts 1981, 67<sup>th</sup> Legislature, Page 3,321, Chapter 870, Section 1, Effective June 18, 1981; Acts 1983 68<sup>th</sup> Legislature, Page 1,046, Chapter 235, Section 1, Effective September 1, 1983.)*

**Section 3.** In the event of any overlapping of territory of this Authority with the territories or watershed of any other district or authority, such overlapping shall not interfere with or affect the powers, affairs, duties, or functions of the Canadian River Municipal Water Authority or any other district or authority. Provided further, that at any time hereafter additional districts or authorities of a local nature, peculiar to a defined area may be created either entirely or partly within this Authority. It shall be the duty of the Authority to cooperate in every practical manner with the sponsors of such existing or proposed districts or authorities in the prosecution of its proposed improvements.

*(Amended by Acts 1977, 65<sup>th</sup> Legislature, Page 1,331, Chapter 529, Section 2, Effective August 29, 1977.)*

**Section 4.** (a) All powers of the Authority shall be exercised by a Board consisting of nine (9) directors.

(b) Directors shall be freehold property taxpayers and legal voters of the State of Texas and each director shall be a resident of the director region that he is appointed to represent.

(c) The Authority is divided into three regions for appointment and representation of directors as follows:

(1) Director region number 1 includes Roberts, Hemphill, Oldham, Potter, Carson, Gray, Wheeler, Deaf Smith, Randall, Armstrong, Donley, Collingsworth, Parmer, and Castro counties;

(2) Director region number 2 includes Swisher, Briscoe, Hall, Childress, Hale, Floyd, Motley, Cottle, Hardeman, Foard, Wilbarger, Wichita, Crosby, Dickens, King, Knox, Baylor, Archer, and Clay counties; and

(3) Director region number 3 includes Montague, Cooke, Grayson, Fannin, Lamar, Red River, and Bowie counties.

(d) Three directors shall be appointed from each of these director regions to the Board of the Authority.

(e) Each director shall be appointed by the Governor of the state and such appointment shall be confirmed by the Senate.

(f) Directors shall serve for staggered terms of six (6) years. The directors shall hold office after their appointment and qualification until their successors shall be appointed and qualify. Should any vacancy occur in the Board of Directors, the same shall be filled in like manner by the Governor for the unexpired term.

(g) The directors appointed shall within fifteen (15) days after their appointment qualify by taking the official oath and filing with the Secretary of the State of Texas and obtaining his approval thereon, a good and sufficient bond in the sum of Five Thousand (\$5,000) Dollars each, payable to the Authority and conditioned upon the faithful performance of duties as a director.

*(Amended by Acts 1969, 61<sup>st</sup> Legislature, Page 2, 564, Chapter 856, Section 3, Effective June 18, 1969, Acts 1981, 67<sup>th</sup> Legislature, Page 3,321, Chapter 870, Section 1, Effective June 19, 1981.)*

**Section 5.** The directors of the Authority shall organize by electing one of their members' president, one vice president, one secretary, and one treasurer. Five (5) directors shall constitute a quorum at any meeting and a concurrence of a majority of those present shall be sufficient in all matters pertaining to the business of the district, except the letting of construction contracts and the authorization of issuance of warrants paying therefore, which shall require the concurrence of seven (7) directors. Warrants for the payment of money may be drawn and signed by two (2) officers or employees designated by standing order entered in the minutes of the Authority when such accounts have been contracted and ordered paid by the Board of Directors.

**Section 6.** The directors of the Authority shall require each officer and employee who shall be charged with the collection or paying or handling of any funds of the Authority to furnish good and sufficient bond, payable to the Authority, conditioned upon the faithful performance of duties and the accounting for all funds and property of the Authority.

**Section 7.** The president shall preside at all meetings of the Board and shall be the chief executive officer of the Authority. The vice president shall act as president in case of the absence or disability of the president. The secretary shall act as secretary of the Board and shall be charged with the duty of keeping a record of all proceedings and all others of the Board. The treasurer shall receive and receipt for all moneys received and expended. In case of the absence or inability of the secretary to act, a secretary pro tem shall be selected by the directors.

**Section 7a.** The Authority's Board of Directors or a Board committee may hold a meeting by telephone conference call, by video conference call, or through communications over the Internet, in accordance with procedures provided by Subchapter F, Chapter 551, Government Code, if holding the meeting in that way is determined to be necessary or convenient by the Board president or any three Board members.

*(Amended by Acts 2013, 83<sup>rd</sup> Legislature, Chapter 1156, Section 1, Effective September 1, 2013.)*

**Section 8.** All records of the Authority shall be kept in a fireproof vault or safe. The same shall be the property of the Authority and subject to public inspection during regular office hours. A regular office shall be established and maintained for the conduct of the Authority's business within the Authority at such place as may be determined by the Board of Directors.

**Section 9.** A complete book of accounts shall be kept. The account books and records of the Authority and of the depository of the Authority shall be audited by a Certified Public Accountant annually as soon as practicable after the end of the district's fiscal year, such audit to cover a fiscal year ending September 30 of each year, and a report thereon shall be submitted to the first regular meeting of the Board of Directors thereafter. Said report shall be in quadruplicate, one copy being filed in the office of the Authority, one with the depository of the Authority, one in the office of the auditor and one with Texas Department of Water Resources, all of which shall be open to public inspection.

*(Amended by Acts 1981, 67<sup>th</sup> Legislature, Page 186, Chapter 86, Section 1, Effective April 20, 1981.)*

**Section 10.** The directors shall receive as fees of office the sum not to exceed Twenty-Five (\$25) Dollars per day for each day of service necessary to the discharge of their duties, in addition to all traveling expenses, provided the same is authorized by vote of the Board of Directors, they shall file with the secretary on the last day of each month, or as soon thereafter as practicable, a verified statement showing the actual amount due and warrants shall be issued therefor.

**Section 11.** The directors may employ a general manager for the Authority and may give him full authority in the management and operation of the Authority's affairs (*subject only to the orders of the Board of Directors*). The term of office and compensation to be paid such manager and all employees shall be fixed by the Board of Directors and all employees may be removed by the Board. A director may be employed as general manager and at such compensation as may be fixed by a majority of the other directors, and when so employed he shall continue to perform the duties of a director, but shall receive no compensation as such director.

**Section 12.** All bonds required to be given by directors, officers, and employees of the Authority shall be executed by a surety company authorized to do business in the state, as surety thereon; and the premiums on such bonds shall be paid by the Authority.

**Section 13.** No director, engineer, or employee of the Authority shall be, directly or indirectly, interested either for themselves or as agents for anyone else, in any contract for the purchase of materials or construction of work by said Authority and if any such person shall, directly or indirectly, become interested in any such contract, he shall be guilty of a misdemeanor and on conviction thereof shall be punished by a fine in any sum not to exceed One Thousand (\$1,000) Dollars, or by confinement in the county jail for not less than six months nor more than one year, or both such fine and imprisonment.

**Section 14.** The Authority is hereby invested with all of the powers of the state under Article XVI, Section 59 of the Constitution to effectuate flood control and the conservation and use, for all beneficial purposes, of the storm, flood and unappropriated water of the Red River watershed and its Texas tributaries, subject only: (i) declarations of policy by the Legislature as to use of water; (ii) continuing supervision and control by the State Board of Water Engineers and any board or agency which may thereafter succeed to its duties; (iii) the provisions of Article 7471 prescribing the priorities of uses of water; and (iv) the rights heretofore or hereafter legally acquired in water by municipalities and other users. It shall be the duty of the Authority to exercise for the greatest practicable measure of the conservation and beneficial utilization of storm, flood and unappropriated waters of the Red River watershed and its Texas tributaries in the manner and for the particular purposes specified hereinafter in this Section and elsewhere in this Act, powers including those:

(a) To provide for the study, correcting and control of both artificial and natural pollution of the Red River and its tributaries. In this connection, such Authority is given the power to promulgate rules and regulations with regard to such pollution, both artificial and natural, with the right of policing by said Authority to enforce such rules and regulations; providing for penalties consisting of fines for violation of such pollution rules not to exceed One Thousand (\$1,000) Dollars, or by confinement in the county jail for not more than thirty (30) days or both such fine and imprisonment. In this connection the provisions of the general law pertaining to water improvement regions herein shall govern, except as expressly provided herein.

(b) To provide through all practical and legal means for the control, conservations and orderly development of the watershed and water of the Red River and its Texas tributaries

(c) To provide for the preservations of the equitable rights and beneficial use of the water for the people of the different sections of the Authority.

(d) For storing, controlling and conserving the waters of the Red River and its Texas tributaries, and the prevention of the escape of any such waters without the maximum of public service, for the prevention of devastation of lands from recurrent overflows, and the protection of life and property in such watershed areas from uncontrolled flood waters.

(e) For the conservation of storm, flood and unappropriated water of the Red River watershed and its Texas tributaries essential for the beneficial uses of the people of the watersheds of the Red River and its Texas tributaries.

(f) For the better encouragement and development of drainage systems and provision for drainage of lands needing drainage for profitable agricultural production.

(g) For the purpose of conservation of all soils against destructive erosion and thereby preventing the increased flood menace incident thereto.

(h) To control and make available for employment such waters in the development of commercial, industrial and agricultural enterprises in all sections of the Authority.

(i) And for each and every purpose for which water when controlled and conserved may be utilized in the performance of a useful service as contemplated and authorized by the provisions of the constitution and the public policy therein declared.

(j) Such Authority shall have the right to sue and be sued in its own name.

(k) It shall be the duty of the Authority to prepare a master plan, for the maximum development of the soil and water resources of the entire Red River watershed within the Authority, including plans for the complete utilization, for all economically beneficial purposes, of the water resources of the watershed. That portion of the master plan and any amendments thereto relating to soil conservation and upstream flood prevention and watershed protection works in aid thereof shall be prepared by the soil conservation districts on the Red River watershed, subject to approval by the State Soil Conservation Board. The master plan shall be filed with and approved by the State Board of Water Engineers.

**Section 14a.** (1) In addition to other purposes heretofore authorized by law, the Authority shall have, and is vested with all of the powers of the State of Texas under Section 59, Article XVI, Constitution of the State of Texas, and shall likewise have and is vested with all powers, rights, privileges, and functions conferred upon navigation districts by General Law. Without limitation of generality of the foregoing, the Authority shall have and is hereby authorized to exercise the following powers, rights and privileges, and functions;

(2) to promote, construct, maintain and operate or aid and encourage, the construction, maintenance and operation of navigable canals or waterways and all navigational systems or facilities auxiliary thereto using the natural bed and banks of the Red River, where practicable, and thence traversing such route as may be found by the Authority to be more feasible and practicable to connect Red River in Texas with any new navigation canals to be constructed in the lower reaches of Red River or to connect Red River with the intercoastal canal. The Authority is empowered to construct or cause to be constructed a system of artificial waterways and canals, together with all locks and other works, structures and artificial facilities as may be necessary and convenient for the constructions, maintenance and operation of navigation canals or waterways and all navigational systems and facilities auxiliary thereto;

(3) the right, power, and authority to acquire, purchase, improve, extend, take over, construct, maintain, repair, operate, develop and regulate ports, levees, wharves, docks, locks, warehouses, grain elevators, dumping facilities, belt railways, lands, and all other facilities or aids to navigation or aids necessary to the operation or development of ports or waterways within the Red River Basin in Texas, provided, the powers

conferred on the Authority under the provisions of this subdivision extend to a facility or aid authorized under this subdivision only if the facility or aid is situated in a county or counties included as part of said Authority.

(4) to acquire by gift or purchase any and all properties of any kind, including lighters, tugs, barges and other floating equipment of any nature, real, personal, or mixed, or any interest therein within or outside of the boundaries of the Authority necessary to the exercise of the powers, rights, privileges and functions conferred upon it by this Act and by condemnation in the manner provided in Section 18 of the Act creating the Authority, provided that the Authority shall not be required to give bond for appeal or bond for costs in any judicial proceedings;

(5) to control, develop, store and use the natural flow and floodwaters of the Red River and its tributaries for the purpose of operating and maintaining said navigable canals or waterways and all navigational systems or facilities auxiliary thereto, provided, however, that such navigational use shall be subordinate to consumptive use of water, and navigation shall be incidental thereto;

(6) to effectuate the construction, maintenance and operation of bank stabilization facilities, channel rectification or alignment, to prevent and aid in preventing devastation of lands from recurrent overflows and the protection of life and property in the Red River in Texas or any tributaries thereof within the Authority from uncontrolled flood waters; to store and conserve to the greatest beneficial use the storm, flood and unappropriated waters of the Red River in Texas or any tributaries thereof within the Authority, so as to prevent the escape of any water without maximum beneficial use either within or without the boundaries of the authority;

(7) in the event the construction of maintenance and operation of navigable canals or waterways and all navigational systems or facilities auxiliary thereto on the Red River in Texas is taken over or performed by the Federal Government or any agency of the Federal Government, then and in such event the Authority shall be fully authorized to make and enter into any such contracts as may be lawfully required by the Federal Government, including such assignments and transfers of property and rights of property and easements and privileges and any and all other lawful things and acts may be necessary and required in order to meet the requirements of the Federal Government or any agency of the Federal Government in taking over the constructions or maintenance and operation of said navigable canals or waterways and all navigational systems or facilities auxiliary thereto;

(8) the Authority shall have the power to acquire additional land adjacent to any permanent improvement heretofore or hereafter constructed within the Authority for the purpose of developing public parks and recreational facilities; the power to acquire necessary right-of-way for public ingress and egress to such areas. The Authority may provide recreational facilities and services, and may enter into contracts and agreements with the Federal Government or any agency thereof; the Parks and Wildlife Department of the State of Texas, any county, municipality, municipal corporation, person, firm or nonprofit organization for the construction, operation and maintenance of such park, or recreational facility. It is legislative intent that the Authority will coordinate the development of any public parks and recreational facilities with the Parks and Wildlife Department for conformity with the "State Comprehensive Outdoor Recreation Plan". The Authority may perform all functions necessary to qualify for state or federal recreational grants and loans;

(9) in addition to other purposes heretofore authorized by law and as necessary aid to the conservation, control, preservations, and distribution of such water for beneficial use, the Authority is authorized to purchase, construct, improve, repair, operate and maintain works and facilities necessary for the collection, transportation, treatment and disposal of sewage and industrial waste and effluent and to issue negotiable bonds for such purposes, and the Authority may make contracts with cities and others under which the Authority will collect, transport, treat and dispose of sewage from such cities or other entities. The Authority may also make contracts with any city for the use of any collection, transportation, treatment or disposal facilities owned by such city or by the Authority;

(10) the bonds which may be issued under this Section shall be payable from revenues under any contract or contracts described herein or from other income of the Authority. Such bonds shall be in the form and shall be issued in the manner prescribed by law for other revenue bonds and as provided in Sections 26, 27, 28, and 29, Article 8280-228.



*(Amended by Acts 1967, 60<sup>th</sup> Legislature, Page 1,278, Chapter 570, Section 1, Effective August 28, 1967, Acts 1969, 61<sup>st</sup> Legislature, Page 2,564, Chapter 856, Section 1, Effective June 18, 1969.)*

**Section 14b.** (a) As used in this section:

(1) 'Person' means:

(a) an individual, partnership, corporation, or other private entity; and

(b) a public agency

(2) 'Public agency' means an authority, district, city, town, other political subdivision, joint board, or other public agency created and operating under the laws of this state.

(b) The Authority and all persons may contract, on terms and conditions to which the parties may agree, with respect to any power, function, or duty of the Authority, and the Authority and all persons may execute all appropriate documents and instruments in connection therewith. The Authority may issue bonds with respect to any of its powers in the manner provided by Section 26 of this Act including those powers granted in this section for the purpose of providing funds:

(1) to enable the Authority to pay for the costs of engineering design and studies, surveys, title research, appraisals, options on real or personal property, and other related matters and activities in connection with planning and implementing various proposed projects or improvements; and

(2) to operate and maintain any facilities.

(c) The Authority may invest any of its funds, including bond proceeds, in any manner or in any securities determined by its Board of Directors.

(d) Notwithstanding any provisions of this Act and in Addition to all other powers granted by this Act or by any other law, the Authority may:

(1) undertake and carry out any activities;

(2) enter into loan agreements, leases, or installment sales agreements; and

(3) acquire, purchase, construct, own, operate, maintain, repair, improve, or extend and loan, lease, sell or otherwise dispose of, on terms and conditions including rentals, sale price, or installment sale payments as the parties may agree, at any place or location in the boundaries of the Authority, any and all money or bond proceeds, works, improvements, facilities, plants, buildings, structures, equipment, and appliances, and all property or any interest in property, that are incident, helpful, or necessary.

(e) The Authority may exercise the powers in Subsection (d) of this section, to:

(1) provide for the control, storage, preservation, transmission, treatment, distribution, and use of water, including storm water, flood water, and the water of rivers and streams, for irrigation, electric energy or power, flood control, municipal, domestic, industrial, agricultural, and commercial uses and purposes and for all other beneficial uses and purposes;

(2) supply water for municipal, domestic, electric energy or power, industrial, irrigation, oil flooding, mining, agricultural, and commercial uses and purposes and for all other beneficial uses and purposes;

(3) generate, produce, distribute, and sell electric energy or power; and

(4) facilitate the carrying out of any power, duty, or function of the Authority.

(f) It is found and determined by the legislature that all of the purposes stated in Subsection (e) of this section are for the conservation and development of the natural resources of this state within the meaning of Article XVI, Section 59, of the Texas Constitution.

(g) Each public agency may fix, charge, and collect fees, rates, charges, rentals, and other amounts for any services or facilities provided by a utility operated by it, or provided pursuant to or in connection with any contract with the Authority. The fees, rates, charges, rentals, and other amounts may be charged to and collected from inhabitants or from any users or beneficiaries of that utility, service, or facility. These may include specifically water charges, sewage charges, solid waste disposal system fees and charges including garbage collection or handling fees, and other fees or charges.

(h) Those fees, rates, charges, rentals, and other amounts may be used or pledged to make payments to the Authority required under the contract and may be pledged in amounts sufficient to make all or any part of those payments to the Authority when due. Those payments if the parties agree in the contract, constitute an expense of operation of any facilities or utility operated by the public agency; provided that an agreement may not be made that would violate the United States or Texas Constitutions.

(i) This section is wholly sufficient authority for the issuance of the bonds, the execution of contracts, and the performance of the other acts and procedures authorized in this Act by the Authority and persons, including public agencies, without reference to any other law or any restrictions or limitations included in any other law. To the extent of any conflict or inconsistency between this subsection and any other law including a home-rule city charter, this section prevails and controls; provided that the Authority and persons, including public agencies, may use any other law, not in conflict with this subsection, to the extent convenient or necessary to carry out any power or authority granted by this section.

(j) This section does not compel any person, including any public agency, to secure water, sewer service, or any other service from the Authority, except voluntarily executed contracts.

*(Amended by Acts 1981, 67<sup>th</sup> Legislature, Page 186, Chapter 86, Section 3, Effective April 30, 1981, Acts 1983, Legislature, Page 4,344, Chapter 696, Section 3, Effective June 19, 1983.)*

**Section 14c.** (a) On Acquisition of any necessary authorization as provided by law, the Authority may engage in the manufacture and production of gasohol only for use in operating equipment of the Authority in an emergency as determined by the General Manager of the Authority.

(b) The Authority is eligible for a local industrial alcohol manufacturer's permit under chapter 47, Alcoholic Beverage Code, as amended, as if it were an eligible Texas corporation, but its authority under the permit is limited as provided by Subsection (a) of this section.

*(Amended by Acts 1981, 67<sup>th</sup> Legislature, Page 186, Chapter 86, Section 3, Effective April 30, 1981.)*

**Section 14d.** (a) Bowie County is added to the Red River Authority for the limited purpose of participating in the U.S. Army Corps of Engineers' Red River Bank Stabilization and Navigation Project, from Index, Arkansas, to Denison Dam, and this Act shall apply to Bowie County to the extent necessary to accomplish the Red River Bank Stabilization and Navigation Project.

(b) Bowie County is liable only for debt incurred by the Authority directly in connection with the Red River Bank Stabilization and Navigation Project, and the Board may exercise the duties and powers, including the power of eminent domain, under this Act, with relation to Bowie County only to the extent necessary to accomplish the Red River Bank Stabilization and Navigation Project.

*(Amended by Acts 1981, 67<sup>th</sup> Legislature, Page 3,321, Chapter 870, Section 2, Effective June 18, 1981, Acts 1983, Legislature, Page 4,344, Chapter 696, Section 2, Effective June 19, 1983.)*

**Section 15.** The powers and duties herein granted to the Authority are recognized to be taken subject to all legislative declarations of public policy in the maximum utilization of the waters of the Authority's watersheds for the purposes for which the Authority is created. The Authority in the exercise of its powers and duties shall be subject to the continuing supervision by the state, which shall be exercised through the State Board of Water Engineers, or any board or agency which may succeed to its duties, which agency shall be charged with the authority and duty to approve, or to refuse to approve, the adequacy and feasibility of any plan or plans for flood control or conservation devised for the achievement of the purposes intended in the creation of the Authority.

**Section 16.** The Authority is granted the power to execute such contracts and enter into such agreements as may be necessary to accomplish the purpose for which it is created. In keeping with this provision the Authority is authorized to enter into contracts with cities, corporations, districts, the United States and its agencies, the State of Texas and agencies thereof, or the States of Oklahoma, Arkansas, and Louisiana, the confines of which are contiguous or adjacent to Red River.

*(Amended by Acts 1969, 61<sup>st</sup> Legislature, Page 2,564, Chapter 856, Section 2, Effective June 18, 1969.)*

**Section 16a.** The Authority is expressly authorized to contract with cities, towns or villages located within its boundaries for the purchase, lease, use, management, control of operation of water distribution plants or systems owned by said cities, towns or villages, in accordance with such terms and conditions as may be mutually agreed upon by and between the governing bodies of the Authority and such city, town or village. In this connection the Authority is empowered to acquire by any such contract surface or underground water rights belonging to any such city, town or village ; provided , however, that the Authority shall devote any such water rights so acquired to only such uses as the city, town or village from which they were acquired would be authorized to make of them; and, provided further, that the Authority shall use any such water rights so acquired only for the purposes of the water distribution plant or system of the city, town or village from which such water rights were acquired, and not otherwise.

*(Amended by Acts 1961, 57<sup>th</sup>, Legislature, Page 1,116, Chapter 504, Section 2, Effective August 27, 1961.)*

**Section 16b.** The Authority may enter into any contracts necessary to provide for the sale and delivery of water to the City of Eldorado, Oklahoma.

*(Amended by Acts 1969, 61<sup>st</sup> Legislature, Page 2,077, Chapter 715, Section 1, Effective June 12, 1969.)*

**Section 17.** For the purpose of providing funds requisite to secure the necessary studies, engineering and others services which may be necessary, the collection and computation of the data respecting regional and general conditions influencing the character and extent of the improvements necessary to effect the purposes of the creation of this Authority to the greatest public advantage, it is hereby provided that it may solicit, seed and accept contributions to its funds from any other district, authority or municipality, the Federal Government or the State of Texas, or from any other source. Any and all grants and gratuities shall be strictly accounted for and shall be subject to the same rules, regulations and orders as are other funds handled or disbursed by the Authority.

**Section 18.** The Authority is hereby vested with the right of eminent domain in the manner provided by the general law pertaining to water control and improvement districts. In the event that the Authority, in the exercise of the power of eminent domain or power of relocation, or any other power granted hereunder, makes necessary the relocation, raising, rerouting or changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telephone or telegraph properties and facilities, or pipeline, all such necessary relocation, raising, rerouting, changing of grade or alteration of construction shall be accomplished at the sole expense of the Authority.

**Section 19.** Said Authority shall have and may exercise such functions, powers, authority, rights and duties as may permit the accomplishment of the purposes for which it is created, including investigating and planning, acquiring, construction, maintaining and operating of all necessary properties, lands, rights, tenements, easements, improvements, reservoirs, dams, canals, laterals, plants, works and facilities which it may deem necessary or proper for the accomplishment of said purposes, including the acquisition within and/or without said Authority of lands, rights-of-way, surface water rights, groundwater rights, if purchased, as provided by Section 19a, and all other properties, tenements, easements and all other rights incident, helpful to, or in aid of carrying out the

purposes of said Authority as herein defined; provided, however, that Authority shall not engage in the generation or distribution of electric power except as provided by Section 14b of this Act. The right of eminent domain shall not be exercised or extended beyond the boundaries of this Region.

*(Amended by Acts 1961, 57<sup>th</sup> Legislature, Page 1,116, Chapter 504, Section 1, Effective August 27, 1961; Acts 1981, 67<sup>th</sup> Legislature, Page 186, Chapter 86, Section 1, Effective April 20, 1981; Acts 2013, 83<sup>rd</sup> Legislature, Chapter 1156, Section 2, Effective September 1, 2013.)*

**Section 19a.** The Authority may purchase groundwater rights in a county in the Authority's territory only if:

(1) there is a groundwater conservation district that has jurisdiction over water wells located in the county; or

(2) in the case where a county is not in the jurisdiction of a groundwater conservation district, the commissioners court of the county approves the purchase of groundwater rights by the Authority in the county.

*(Amended by Acts 2013, 83<sup>rd</sup> Legislature, Chapter 1156, Section 3, Effective September 1, 2013.)*

**Section 20.** The Authority shall establish and collect rates and other charges for the sale or use of water or for its services sold, furnished or supplied which fees and charges shall be reasonable and nondiscriminatory but sufficient to produce revenues adequate to pay the expenses of the Authority in carrying out its functions for which it is created and to fulfill the terms of any agreements made with the holders of any of its obligations. Provided, however, that the rates and charges for the sale or use of water shall be subject to review by the State Board of Water Engineers, as provided by general law.

**Section 21.** While the power is expressly given the Authority to issue its obligations or warrants for furnishing of funds, before such obligations or warrants shall be issued, the same shall bear the approval of the State of Texas, acting through the Attorney General of Texas.

**Section 22.** The Authority shall make by-laws for the management and regulation of its affairs; to adopt and use a corporate seal; to appoint officers, attorneys, agents and employees, and to prescribe their duties and fix their compensation; to make such other contracts and execute instruments necessary or convenient to the exercise of its powers, rights, privileges and functions conferred upon it by this Act and the general laws of the state pertaining to water control and improvement districts; to borrow money and accept grants from the United States of America, or the State of Texas, or any other source, and in connection with any such loan or grant; to enter into such agreements and assume such obligations as may be required.

**Section 23.** The Board of Directors shall designate one or more banks within the Authority to serve as depository for the funds of the Authority. All funds of the Authority shall be deposited in such depository bank or banks except that funds pledged to pay bonds may be deposited with the trustee bank named in the trust agreement, and except that funds shall be remitted to the bank of payment for the payment of principal of and interest on bonds. To the extent that funds in the depository banks and the trustee bank are not insured by the F.D.I.C., they shall be secured in the manner provided by law for the security of county funds.

**Section 24.** Nothing in this Act shall be construed as authorizing the Authority to levy or collect any form of tax within said Authority.

**Section 25.** Nothing in this Act shall be construed as authorizing the Authority to acquire or regulate underground water or underground water rights by condemnation or regulate the use of underground water resources in any manner.

*(Amended by Acts 2013, 83<sup>rd</sup> Legislature, Chapter 1156, Section 4, Effective September 1, 2013.)*

**Section 26.** (a) For the purpose of providing funds for any purpose authorized by this Act the Authority shall have the power and is hereby authorized to issue bonds from time to time as authorized by this Act. The Authority is hereby empowered, without the necessity of an election, to issue such bonds to be payable from such revenues of district as are pledged by resolution of the Board of Directors.

*(Amended by Acts 1981, 67<sup>th</sup> Legislature, Page 186, Chapter 86, Section 2, Effective April 30, 1981.)*

(b) Such bonds shall be authorized by resolution of the Board of Directors and shall be issued in the name of the Authority, signed by the president or vice president, attested by the secretary, and has the seal of the Authority impressed thereon. They shall mature serially or otherwise in not to exceed 50 years and may be sold at a price and under terms determined by the Board of Directors to be the most advantageous reasonably obtainable, provided that the interest rate on the bonds may not exceed the maximum net effective interest rate, as that term is defined by Chapter 3, Acts of the 61<sup>st</sup> Legislature, Regular Session, 1969, as amended (*Article 717K-2, Vernon's Texas Civil Statutes*), that is legally authorized at the time the bonds are issued, and within the discretion of the Board, may be made callable prior to maturity at such times, and prices as may be prescribed in the resolution authorizing the bonds, and may be made registrable as to principal or as to both principal and interest.

*(Amended by Acts 1981, 67<sup>th</sup> Legislature, Page 186, Chapter 86, Section 2, Effective April 30, 1981, Acts 1983, Legislature Page 4,344, Chapter 696, Section 4, Effective June 19, 1983.)*

(c) Bonds may be issued in more than one series and from time to time as required for carrying out the purposes of this Act.

(d) The bonds may be secured by a pledge of all or part of the net revenues of the Authority, or by the net revenues of any one or more contracts theretofore or thereafter made or other revenues specified by resolution of the Board of Directors. Any such pledge may reserve the right, under conditions therein specified, to issue additional bonds which will be on a parity with or subordinate to the bonds then being issued. The term "net revenues" as used in this Section shall mean the gross revenues of the Authority after deduction of the amount necessary to pay the cost of maintaining and operating the Authority and its properties.

(e) It shall be the duty of the Board of Directors to fix, and from time to time to revise, the rates of compensation for water sold and services rendered by the Authority which will be sufficient to pay the expense of operating and maintaining the facilities of the Authority and to pay the bonds as they mature and the interest as it accrues and to maintain the reserve and other funds as provided in the resolution authorizing the bonds.

(f) From the proceeds of the sale of the bonds, the Authority may set aside an amount for the payment of interest expected to accrue during construction and a reserve interest and sinking fund, and such provision may be made in the resolution authorizing the bonds. Proceeds from the sale of the bonds may also be used for the payment of all expenses necessarily incurred in accomplishing the purposes for which the Authority is created.

(g) In the event of a default or a threatened default in the payment of principal or of interest on any of the bonds any court of competent jurisdiction may, upon petition of the holders of twenty-five percent (25%) of the outstanding bonds of the issue thus in default or threatened with default, appoint a receiver with authority to collect and receive all income of the Authority, employ and discharge agents and employees of affairs of the Authority without consent or hindrance by the directors. Such receiver may also be authorized to sell or make contracts for the sales of water or renew such contracts with the approval of the court appointing him. The court may vest the receiver with such other powers and duties as the court may find necessary for the protection of the holders of the bonds.

**Section 27.** The Authority is authorized to issue refunding bonds for the purpose of refunding any outstanding bonds authorized by this Act and interest thereon. Such refunding bonds may be issued to refund more than one series of outstanding bonds and combine the pledges for the outstanding bonds for the security of the refunding bonds, and may be secured by other or additional revenues. The provisions of this law with reference to the issuance of other bonds and their approval by the Attorney General and the remedies of the holders shall be

applicable to refunding bonds. Refunding bonds shall be registered by the Comptroller upon surrender and cancellation of the bonds to be refunded, but in lieu thereof, the resolution authorizing their issuance may provide that they shall be sold and the proceeds thereof deposited in the bank where the original bonds are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the interest on the original bonds to their option date or maturity date, and the Comptroller shall register them without concurrent surrender and cancellation of the original bonds.

**Section 28.** Any bonds (*including refunding bonds*) authorized by this law may be additionally secured by a deed of trust lien upon physical properties of the Authority and all franchises, easements, water rights and appropriation permits, leases and contracts and all rights appurtenant to such properties, vesting in the trustee power to see the properties for payment of the indebtedness, power to operate the properties, and all other powers and authority for the further security of the bonds. Such deed of trust may contain any provisions prescribed by the Board of Directors for the security of the bonds and the preservation of the trust estate, and may make provision for amendment or modification thereof and the issuance of bonds to replace lost or mutilated bonds. Any purchaser under a sale under such deed of trust shall be the owner of the dam or dams and the other properties and facilities so purchased and shall have the right to maintain and operate the same, in the event of forfeiture or default on the part of the Authority.

**Section 29.** After any bonds are authorized by the district, such bonds and the record relating to their issuance shall be submitted to the Attorney General for his examination as to the validity thereof. Where such bonds recite that they are secured by a pledge of the proceeds of a contract theretofore made between the district and any city or other governmental agency or district, a copy of such contract and the proceedings of the city or other governmental agency or district authorizing such contract shall also be submitted to the Attorney General. If such bonds have been authorized and if such contracts have been made in accordance with the Constitution and laws of the State of Texas, he shall approve the bonds and such contracts and the bonds then shall be registered by the Comptroller of Public Accounts. Thereafter, the bonds and the contracts, if any, shall be valid and binding and shall be incontestable for any cause.

**Section 30.** The Legislature hereby declares that the enactment hereof is in fulfillment of a duty conferred upon it by Section 59 of Article XVI of the Constitution of Texas, wherein it is empowered to pass such laws as may be appropriate in the preservation and conservation of the natural resources of the state; that the Authority herein created is essential to the accomplishment of the purposes of said constitutional provision; and that this Act operates on a subject in which the state at large is interested. It is hereby found and determined that all of the lands and other property included within the boundaries of the Authority will be benefited and that the Authority is created to serve a public use and benefit. All the terms and provisions of this Act are to be liberally construed to effectuate the purposes herein set forth.

**Section 31.** Except as otherwise provided herein, the Authority is hereby vested with all of the rights, powers, and privileges conferred by the laws of this state now in effect or hereinafter enacted, applicable to water control and improvement districts created under the authority of Section 59, Article XVI of the Constitution. Acts 1959, 56<sup>th</sup> Legislature, page 604, Chapter 279.

# **APPENDIX – B**

## **SPECIAL DISTRICT LOCAL LAWS CODE, CHAPTER 8510**

**SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 6. WATER AND WASTEWATER  
SUBTITLE G. RIVER AUTHORITIES  
CHAPTER 8510. RED RIVER AUTHORITY OF TEXAS**

**SUBCHAPTER A. GENERAL PROVISIONS**

**Text of section effective on April 01, 2023**

**Sec. 8510.0101. DEFINITIONS.**

In this chapter:

- (1) "Authority" means the Red River Authority of Texas.
- (2) "Board" means the authority's board of directors.
- (3) "Commission" means the Texas Commission on Environmental Quality.
- (4) "Director" means a board member.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0102. NATURE OF AUTHORITY.**

The authority is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0103. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.**

- (a) The authority is:
  - (1) essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and
  - (2) created to serve a public use and benefit.
- (b) All land and other property inside the authority's boundaries will benefit from the authority.
- (c) All of the authority's territory will benefit by the exercise of the powers, rights, privileges, and functions conferred by this chapter.
- (d) This chapter addresses a subject in which this state is interested.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.



**Text of section effective on April 01, 2023**

**Sec. 8510.0104. REVIEW SCHEDULE UNDER SUNSET ACT.**

A review of the authority under Section 325.025, Government Code, shall be conducted as if the authority were a state agency scheduled to be abolished September 1, 2031, and every 12th year after that year.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

For expiration of this section, see Subsection (d).

**Text of section effective on April 01, 2023**

**Sec. 8510.01045. SUNSET REPORT AUDIT.**

(a) The state auditor shall conduct an audit of the authority to evaluate whether the authority has addressed the operational challenges identified in the report on the authority by the Sunset Advisory Commission presented to the 86th Legislature.

(b) The state auditor may not begin the audit required by Subsection (a) before December 1, 2021, and shall prepare and submit a report of the findings of the audit to the chairman and executive director of the Sunset Advisory Commission not later than December 1, 2022.

(c) The state auditor shall include the auditor's duties under this section in each audit plan under Section 321.013, Government Code, that governs the auditor's duties for the period specified by Subsection (b).

(d) This section expires January 1, 2023.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0105. TERRITORY.**

(a) The authority is composed of the territory described by Subsection (b) as that territory may have been modified under:

- (1) Subchapter J, Chapter 49, Water Code;
- (2) Subchapter O, Chapter 51, Water Code;
- (3) Subchapter H, Chapter 62, Water Code; or
- (4) other law.

(b) The authority is composed of:

(1) the whole of each county in this state located wholly or partly in the watershed of the Red River and its tributaries in this state whose confluences with the Red River are upstream from the northeast corner of Bowie County, as shown by contour maps on file with the Texas Water Development Board; and

(2) the whole of Hartley, Hutchinson, Lamar, Lipscomb, and Red River Counties.

(c) A defect or irregularity in the boundary or an overlap or conflict of the boundary with another authority or district does not affect the authority's validity.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0106. EFFECT OF OVERLAPPING TERRITORY.**

(a) An overlap of the authority's territory with another district's or authority's territory or watershed does not affect the powers, affairs, duties, or functions of another district or authority, including the Canadian River Municipal Water Authority.

(b) A district or authority of a local nature, peculiar to a defined area, may be created wholly or partly inside the authority.

(c) The authority shall cooperate in every practical manner with the sponsor of an existing or proposed district or authority described by this section in the prosecution of its proposed improvements.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0107. APPLICABILITY OF CHAPTER TO CERTAIN COUNTIES.**

Except as provided by Section 8510.0108, this chapter does not apply to Bowie, Cass, Delta, Franklin, Hopkins, Marion, Morris, or Titus County.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0108. APPLICABILITY OF CHAPTER TO BOWIE COUNTY.**

(a) In this section, "project" means the United States Army Corps of Engineers' Red River Bank Stabilization and Navigation Project, from Index, Arkansas, to Denison Dam.

(b) Bowie County is included in the authority for the limited purpose of participating in the project. This chapter applies to Bowie County to the extent necessary to accomplish the project.

(c) Bowie County is liable only for debt incurred by the authority directly in connection with the project. The board may exercise the powers and duties, including the power of eminent domain, under this chapter with relation to Bowie County only to the extent necessary to accomplish the project.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0109. LIBERAL CONSTRUCTION OF CHAPTER.**

This chapter shall be liberally construed to effectuate its purposes.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS**

**Text of section effective on April 01, 2023**

**Sec. 8510.0201. MEMBERSHIP OF BOARD.**

- (a) The board consists of nine directors appointed by the governor with the advice and consent of the senate.
- (b) Each director must be:
  - (1) a freehold property taxpayer and a qualified voter of this state; and
  - (2) a resident of the director district that the director is appointed to represent.
- (c) The governor shall appoint three directors to represent each of the following districts:
  - (1) director district no. 1 includes Armstrong, Carson, Castro, Collingsworth, Deaf Smith, Donley, Gray, Hemphill, Oldham, Parmer, Potter, Randall, Roberts, and Wheeler Counties;
  - (2) director district no. 2 includes Archer, Baylor, Briscoe, Childress, Clay, Cottle, Crosby, Dickens, Floyd, Foard, Hale, Hall, Hardeman, King, Knox, Motley, Swisher, Wichita, and Wilbarger Counties; and
  - (3) director district no. 3 includes Bowie, Cooke, Fannin, Grayson, Lamar, Montague, and Red River Counties.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0202. TERMS.**

Directors serve staggered six-year terms.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0203. REMOVAL.**

- (a) It is a ground for removal from the board that a director:

(1) does not have at the time of taking office the qualifications required by Sections 8510.0201 and 8510.0205;

(2) does not maintain during service on the board the qualifications required by Sections 8510.0201 and 8510.0205;

(3) ineligible for directorship under Chapter 171, Local Government Code;

(4) cannot, because of illness or disability, discharge the director's duties for a substantial part of the director's term; or

(5) is absent from more than half of the regularly scheduled board meetings that the director is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(b) The validity of a board action is not affected by the fact that it is taken when a ground for removal of a director exists.

(c) If the general manager has knowledge that a potential ground for removal exists, the general manager shall notify the board president of the potential ground. The president shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the president, the general manager shall notify the next highest ranking director, who shall then notify the governor and the attorney general that a potential ground for removal exists.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

#### **Text of section effective on April 01, 2023**

#### **Sec. 8510.0204. VACANCY.**

The governor fills a board vacancy for the unexpired part of the term in the manner provided by Section 8510.0201.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

#### **Text of section effective on April 01, 2023**

#### **Sec. 8510.0205. OATH AND BOND REQUIREMENT FOR DIRECTORS.**

(a) Not later than the 15th day after the date of appointment, a director shall qualify by:

(1) taking the constitutional oath of office; and

(2) filing a good and sufficient bond with the secretary of state and obtaining the secretary of state's approval on the bond.

(b) The bond must be:

(1) in the amount of \$5,000;

(2) payable to the authority; and

(3) conditioned on the faithful performance of duties as a director.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0206. COMPENSATION OF DIRECTORS.**

(a) Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, a director shall receive as a fee of office an amount not to exceed \$25 for each day of service necessary to discharge the director's duties if the board authorizes the same.

(b) Not later than the last day of each month or as soon as practicable after that date, a director shall file with the secretary a verified statement showing the amount due under Subsection (a).

(c) The authority shall issue a warrant for the amount shown in the verified statement filed under Subsection (b).

(d) In all areas of conflict with this section, Section 49.060, Water Code, takes precedence.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0207. VOTING REQUIREMENT.**

(a) Except as provided by Subsection (b), a concurrence of a majority of the directors present is sufficient in any matter relating to authority business.

(b) The concurrence of seven directors is required to award a construction contract or to authorize the issuance of a warrant to pay for a construction contract.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0208. OFFICERS.**

(a) The governor shall designate a director as the board president to serve as the authority's chief executive officer at the pleasure of the governor.

(b) The board shall elect one director as vice president, one director as secretary, and one director as treasurer.

(c) The vice president shall act as president if the president is absent or disabled.

(d) The secretary shall act as board secretary. The board shall select a secretary pro tem if the secretary is absent or unable to act.

(e) The authority may appoint officers, prescribe their duties, and set their compensation.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0209. DIRECTOR TRAINING PROGRAM.**

(a) A person who is appointed to and qualifies for office as a director may not vote, deliberate, or be counted as a director in attendance at a board meeting until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

- (1) the law governing the authority's operations;
- (2) the authority's programs, functions, rules, and budget;
- (3) the results of the authority's most recent formal audit;
- (4) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest; and

(B) other laws applicable to members of the governing body of a river authority in performing their duties; and

- (5) any applicable ethics policies adopted by the authority or the Texas Ethics Commission.

(c) A person appointed to the board is entitled to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) The general manager shall create a training manual that includes the information required by Subsection (b). The general manager shall distribute a copy of the training manual annually to each director. Each director shall sign and submit to the general manager a statement acknowledging that the director has received and reviewed the training manual.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0210. MEETINGS.**

(a) The president shall preside at all board meetings.

(b) At each regular board meeting, the board shall:

- (1) include public testimony as a meeting agenda item; and
- (2) allow the public to comment on all meeting agenda items and other matters under the authority's jurisdiction.

(c) At a regular board meeting, the board may not deliberate on or decide a matter not included in the meeting agenda, except that the board may discuss including the matter on the agenda for a subsequent meeting.

(d) The board or a board committee may hold a meeting by telephone conference call, by video conference call, or through communications over the Internet, in accordance with procedures provided by Subchapter F, Chapter 551, Government Code, if the board president or any three board members determine that holding the meeting in that manner is necessary or convenient.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0211. SEPARATION OF POLICYMAKING AND MANAGEMENT FUNCTIONS.**

The board shall develop and implement policies that clearly separate the board's policymaking responsibilities and the general manager's and staff's management responsibilities.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0212. ATTORNEYS, AGENTS, AND EMPLOYEES.**

- (a) The authority may appoint attorneys, agents, and employees, prescribe their duties, and set their compensation.
- (b) The board may remove an authority employee.
- (c) The board shall set the term of office and the compensation to be paid to authority employees.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0213. GENERAL MANAGER.**

- (a) The board may employ a general manager.
- (b) The board shall set the term of office and the compensation to be paid to the general manager.
- (c) The board may not employ a director as general manager.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0214. DIRECTOR'S, OFFICER'S, OR EMPLOYEE'S SURETY BOND.**

- (a) A bond required of an authority director, officer, or employee must be executed by a surety company authorized to do business in this state, as surety on the bond.
- (b) The authority shall pay the premium on the bond.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0215. AUTHORITY'S OFFICE.**

A regular office shall be established and maintained to conduct the authority's business inside the authority's territory at a place determined by the board.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0216. RECORDS.**

The secretary shall maintain a record of all board proceedings and orders.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0217. COMPLAINTS.**

(a) The authority shall maintain a system to promptly and efficiently act on complaints filed with the authority.

(b) The authority shall maintain:

- (1) information about the subject matter of the complaint;
- (2) information about the parties to the complaint;
- (3) a summary of the results of the review or investigation of the complaint; and
- (4) the disposition of the complaint.

(c) Periodically, the authority shall notify the parties to the complaint of the complaint's status until final disposition.

(d) The authority shall make information available describing its procedures for complaint investigation and resolution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0218. ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.**

(a) The board shall develop a policy to encourage the use of appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the authority's jurisdiction.



(b) The authority's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The authority shall:

- (1) coordinate the implementation of the policy adopted under Subsection (a);
- (2) provide training as needed to implement the procedures for alternative dispute resolution;

and

- (3) collect data concerning the effectiveness of those procedures.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

#### **Text of section effective on April 01, 2023**

### **Sec. 8510.0219. PUBLIC TESTIMONY.**

The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the authority's jurisdiction.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

## **SUBCHAPTER C. POWERS AND DUTIES**

#### **Text of section effective on April 01, 2023**

### **Sec. 8510.0301. GENERAL POWERS.**

(a) The authority has:

(1) the functions, powers, rights, and duties as may permit the authority to accomplish the purposes for which it is created;

(2) the powers of this state under Section 59, Article XVI, Texas Constitution; and

(3) all powers, rights, privileges, and functions conferred on navigation districts by general law.

(b) Except as otherwise provided by this chapter, the authority has the rights, power, and privileges conferred by the general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapter 51, Water Code.

(c) The authority is governed by Chapters 49, 60, and 62, Water Code, but in all areas of conflict, Chapter 62 takes precedence.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0302. POWERS RELATING TO CONSERVATION AND BENEFICIAL USE OF WATER.**

(a) The authority has the powers of this state under Section 59, Article XVI, Texas Constitution, to effectuate flood control and the conservation and use of the storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state for all beneficial purposes, subject only to:

- (1) the legislature's policy declarations as to water use;
- (2) the commission's continuing supervision and control;
- (3) the provisions of Section 11.024, Water Code, prescribing the priorities of water uses;

and

- (4) the water rights acquired by municipalities and other users.

(b) The authority shall exercise its powers for the greatest practicable measure of the conservation and beneficial use of the storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state in the manner and for the particular purposes specified by this chapter, including the exercise of its powers to provide for:

(1) the study, correction, and control of both artificial and natural pollution of the Red River and its tributaries;

(2) the control, conservation, and orderly development of the watershed and water of the Red River and its tributaries in this state through all practical and legal means;

(3) the preservation of the equitable rights and beneficial use of the waters for the people of the different sections of the authority;

(4) the storage, control, and conservation of the waters of the Red River and its tributaries in this state and the prevention of the escape of any of those waters without the maximum of public service;

(5) the prevention of the devastation of lands from recurrent overflows;

(6) the protection of life and property in the watershed of the Red River and its tributaries from uncontrolled flood waters;

(7) the conservation of storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state essential for the beneficial uses of the people of that watershed;

(8) the better encouragement and development of drainage systems and drainage of lands that need drainage for profitable agricultural production;

(9) the conservation of soil to prevent destructive erosion and the increased threat of flooding incident to that erosion;

(10) the control of those waters and making them available for use in the development of commercial, industrial, and agricultural enterprises in all sections of the authority; and

(11) any purpose for which waters when controlled and conserved may be used in the performance of a useful service as authorized by the constitution of this state.

(c) For purposes of Subsection (b)(1), the authority may:

(1) adopt rules with regard to the pollution described by that subdivision;

(2) engage in policing to enforce those rules; and

(3) provide for penalties for violating those rules consisting of:

(A) fines not to exceed \$1,000;

(B) confinement in the county jail for a period not to exceed 30 days; or

(C) both the fine and confinement.

(d) The general law pertaining to a water control and improvement district, including Chapters 49 and 51, Water Code, applies to Subsection (b)(1).

(e) The authority may store and conserve to the greatest beneficial use the storm, flood, and unappropriated waters of the Red River in this state or any tributary of that river in the authority to prevent the escape of water without maximum beneficial use inside or outside the authority's boundaries.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0303. POWERS REGARDING CANALS, WATERWAYS, AND RELATED FACILITIES.**

(a) The authority may:

(1) promote, construct, maintain and operate, or aid and encourage, the construction, maintenance, and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways using the natural bed and banks of the Red River, where practicable, and then traversing a route the authority may find to be more feasible and practicable to connect the Red River in this state with any new navigation canals to be constructed in the lower reaches of the Red River or to connect the Red River with the Gulf Intracoastal Waterway;

(2) construct a system of artificial waterways and canals, together with all locks and other works, structures, and artificial facilities as may be necessary and convenient for the construction, maintenance, and operation of:

(A) navigation canals or waterways; and

(B) all navigational systems and facilities auxiliary to navigation canals or waterways; and

(3) acquire, improve, extend, take over, construct, maintain, repair, operate, develop, and regulate ports, levees, wharves, docks, locks, warehouses, grain elevators, dumping facilities, belt railways, lands, and all other facilities or aids to navigation or aids necessary to the operation or development of ports or waterways in the Red River basin in this state.

(b)A power described by Subsection (a)(3) applies with respect to a facility or aid described by that subdivision only if the facility or aid is in a county located inside the authority.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0304. FEDERALLY CONSTRUCTED OR MAINTAINED CANALS, WATERWAYS, AND FACILITIES.**

If the construction or maintenance and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways on the Red River in this state is taken over or performed by the federal government or an agency of the federal government, then the authority may:

- (1) enter into contracts that may be required by the federal government, including assignments and transfers of property, property rights, easements, and privileges; and
- (2) take any other action required by the federal government or an agency of the federal government.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0305. POWER TO CONTROL, DEVELOP, STORE, AND USE WATER FOR NAVIGATIONAL USE.**

- (a) The authority may control, develop, store, and use the natural flow and floodwaters of the Red River and its tributaries for the purpose of operating and maintaining:
  - (1) navigable canals or waterways; and
  - (2) navigational systems or facilities auxiliary to navigable canals or waterways.
- (b) The navigational use of water authorized by Subsection (a) is subordinate and incidental to consumptive use of water.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0306. POWERS RELATING TO FLOODING.**

The authority may effectuate channel rectification or alignment and the construction, maintenance, and operation of bank stabilization facilities to:

- (1) prevent and aid in preventing devastation of lands from recurrent overflows; and
- (2) protect life and property in the watershed of the Red River in this state or any tributaries of that river in the authority from uncontrolled floodwaters.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0307. MASTER PLAN FOR DEVELOPMENT OF SOIL AND WATER RESOURCES.**

- (a) The authority shall prepare a master plan for the maximum development of the soil and water resources of the Red River watershed inside the authority.
- (b) The master plan must include plans for the complete use of the water resources of the watershed for all economically beneficial purposes.
- (c) A soil and water conservation district in the Red River watershed shall prepare the portion of the master plan and amendments to the plan relating to soil conservation, upstream flood prevention, and watershed

protection works in aid of soil conservation and upstream flood prevention, subject to the approval of the State Soil and Water Conservation Board.

- (d) The master plan must be filed with and approved by the commission.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0308. POWERS RELATING TO PARKS AND RECREATIONAL FACILITIES.**

- (a) The authority may acquire:
  - (1) additional land adjacent to a permanent improvement constructed inside the authority for the purpose of developing public parks and recreational facilities; and
  - (2) necessary right-of-way for public ingress and egress to an area described by Subdivision (1).
- (b) The authority may provide recreational facilities and services and may enter into a contract or agreement with any person for the construction, operation, or maintenance of a park or recreational facility.
- (c) The authority may perform a function necessary to qualify for a state or federal recreational grant or loan.
- (d) The legislature intends that the authority coordinate the development of any public parks or recreational facilities with the Parks and Wildlife Department for conformity with the land and water resources conservation and recreation plan.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0309. POWERS RELATING TO WASTE FACILITIES; BONDS.**

- (a) As a necessary aid to the conservation, control, preservation, and distribution of the water of the Red River and its tributaries for beneficial use, the authority may:
  - (1) purchase, construct, improve, repair, operate, and maintain works and facilities necessary for the collection, transportation, treatment, and disposal of sewage and industrial waste and effluent; and
  - (2) issue bonds for a purpose described by Subdivision (1).
- (b) The authority may contract with:
  - (1) a municipality or other entity to collect, transport, treat, and dispose of sewage from the municipality or entity; and
  - (2) a municipality for the use of collection, transportation, treatment, or disposal facilities owned by the municipality or by the authority.
- (c) A bond issued under this section must be:
  - (1) payable from revenue under a contract described by this section or from other authority income; and

(2) in the form and issued in the manner prescribed by law for other revenue bonds and as provided by Sections 8510.0504, 8510.0505, 8510.0506, 8510.0507, 8510.0508, 8510.0509, 8510.0510, 8510.0511, and 8510.0512.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0310. ADDITIONAL POWERS OF AUTHORITY AND OTHER PERSONS; BONDS.**

(a) In this section, "public agency" means an authority, district, municipality, other political subdivision, joint board, or other public agency created and operating under the laws of this state.

(b) The authority and a person may:

(1) contract, on terms to which the parties may agree, with respect to an authority power, function, or duty; and

(2) execute appropriate documents and instruments in connection with a contract described by Subdivision (1).

(c) The authority may issue bonds in the manner provided by Sections 8510.0504, 8510.0505, 8510.0506, 8510.0507, 8510.0508, 8510.0510, and 8510.0511 with respect to its powers, including the powers granted by this section, for the purpose of providing money:

(1) to enable the authority to pay for the costs of engineering design and studies, surveys, title research, appraisals, options on property, and other related matters and activities in connection with planning and implementing various proposed projects or improvements; and

(2) to operate and maintain a facility.

(d) Notwithstanding any other provision of this chapter, the authority may undertake and carry out any activities, enter into loan agreements, leases, or installment sales agreements, and acquire, construct, own, operate, maintain, repair, improve, or extend and loan, lease, sell, or otherwise dispose of, on terms including rentals, sale price, or installment sale payments as the parties may agree, at any place or location inside the authority's boundaries, any and all money or bond proceeds, works, improvements, facilities, plants, buildings, structures, equipment, and appliances, and all property or any property interest, that is incident, helpful, or necessary.

(e) The authority may exercise the powers provided by Subsection (d) to:

(1) provide for the control, storage, preservation, transmission, treatment, distribution, and use of water, including storm water, floodwater, and the water of rivers and streams, for irrigation, electric energy, flood control, municipal, domestic, industrial, agricultural, and commercial uses and purposes and for all other beneficial purposes;

(2) supply water for municipal, domestic, electric energy, industrial, irrigation, oil flooding, mining, agricultural, and commercial uses and purposes and for all other beneficial uses and purposes;

(3) generate, produce, distribute, and sell electric energy; and

(4) facilitate the carrying out of an authority power, duty, or function.

(f) The purposes stated by Subsection (e) are for the conservation and development of the natural resources of this state within the meaning of Section 59, Article XVI, Texas Constitution.

(g) A public agency may:

(1) impose a fee, rate, charge, rental, or other amount, including a water charge, a sewage charge, a solid waste disposal system fee and a charge including garbage collection or handling fee, or another charge or fee, for a service or facility provided by a utility operated by the public agency, or provided pursuant to or in connection with a contract with the authority;

(2) impose an amount described by Subdivision (1) on inhabitants, users, or beneficiaries of the utility, service, or facility described by that subdivision; and

(3) use or pledge an amount described by Subdivision (1) to make a payment to the authority required under the contract and may pledge that amount in an amount sufficient to make all or any part of the payment to the authority when due.

(h) If a public agency and the authority agree in a contract, the payment made by the public agency to the authority under the contract is an expense of operation of a facility or utility operated by the public agency.

(i) This section does not compel a person or public agency to secure water, sewer service, or another service from the authority, except under a voluntarily executed contract.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0311. POWERS RELATING TO CONTRACTS.**

(a) The authority may execute any contract and enter into any agreement necessary to accomplish the purpose for which it was created, including a contract with a municipality, corporation, or district, the United States, this state or an agency of this state, or the state of Oklahoma, Arkansas, or Louisiana, the confines of which are contiguous or adjacent to the Red River.

(b) The authority may enter into a contract or execute an instrument necessary or convenient to the exercise of the authority's powers, rights, privileges, and functions granted by this chapter and general law pertaining to a water control and improvement district.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0312. POWERS RELATING TO WATER DISTRIBUTION PLANTS OR SYSTEMS.**

(a) The authority may contract with a municipality located inside its boundaries for the purchase, lease, use, management, control, or operation of a water distribution plant or system owned by the municipality in accordance with the terms mutually agreed on by the governing bodies of the authority and the municipality.

(b) The authority may acquire by a contract described by Subsection (a) rights in surface water or groundwater belonging to the municipality.

(c) The authority may use water rights acquired from a municipality under Subsection (b) only for:

- (1) a purpose for which the municipality would be authorized to use them; and
- (2) the purposes of the municipality's water distribution plant or system.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0313. CONTRACTS FOR SALE AND DELIVERY OF WATER TO CERTAIN MUNICIPALITIES.**

The authority may enter into a contract necessary to provide for the sale and delivery of water to the City of Eldorado, Oklahoma.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0314. ACQUISITION OF PROPERTY BY GIFT, PURCHASE, OR EMINENT DOMAIN.**

(a) In this section, "property" means property of any kind, including a lighter, tug, barge, or other floating equipment of any nature.

(b) The authority may acquire by gift or purchase property or a property interest located inside or outside the authority's boundaries necessary to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter and by the exercise of the power of eminent domain in the manner provided by Subsection (c), provided that the authority is not required to give bond for appeal or bond for costs in a judicial proceeding.

(c) The authority may exercise the power of eminent domain in the manner provided by the general law applicable to a water control and improvement district.

(d) The authority may not exercise the power of eminent domain outside the authority's boundaries.

(e) The authority's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the authority submitted a letter to the comptroller in accordance with Section 2206.101(b), Government Code, not later than December 31, 2012.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0315. COST OF RELOCATING OR ALTERING PROPERTY.**

If the authority's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the authority's sole expense.



Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0316. ACQUISITION OR OPERATION OF PROPERTY.**

- (a) In this section, "property" includes:
  - (1) rights, including surface water rights and groundwater rights; and
  - (2) land, tenements, easements, rights-of-way, improvements, reservoirs, dams, canals, laterals, plants, works, and facilities.
- (b) The authority may investigate, plan, acquire, construct, maintain, or operate any property the authority considers necessary or proper to accomplish the purposes for which the authority is created.
- (c) The power described by Subsection (b) includes the power to acquire, inside or outside the authority, property and all other rights that are incidental or helpful to carrying out the purposes for which the authority is created.
- (d) The authority may purchase groundwater rights only as provided by Section 8510.0317.
- (e) Notwithstanding the other provisions of this section, the authority may engage in the generation or distribution of electric energy only as provided by Section 8510.0310.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0317. LIMITATION ON PURCHASE OF GROUNDWATER RIGHTS.**

The authority may purchase groundwater rights in a county inside the authority's territory only if:

- (1) there is a groundwater conservation district that has jurisdiction over water wells located in the county; or
- (2) in a county that is not in the jurisdiction of a groundwater conservation district, the commissioners court of the county approves the purchase of groundwater rights by the authority in the county.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0318. LIMITATION ON POWERS OF AUTHORITY REGARDING GROUNDWATER.**

This chapter does not authorize the authority to:

- (1) acquire or regulate groundwater or groundwater rights by the exercise of the power of eminent domain; or
- (2) regulate the use of groundwater resources.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0319. LIMITATION ON POWERS AND DUTIES OF AUTHORITY; COMMISSION APPROVAL OF CERTAIN PLANS.**

(a) The authority's powers and duties under this chapter are subject to all legislative declarations of public policy in the maximum use of the waters of the authority's watersheds for the purposes for which the authority was created.

(b) The commission shall consider the adequacy and feasibility of, and approve or refuse to approve, each flood control or conservation plan that is devised to achieve a purpose for which the authority was created.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0320. LIMITATION ON POWER TO MANUFACTURE AND PRODUCE GASOHOL.**

The authority may manufacture and produce gasohol only:

(1) to operate the authority's equipment in an emergency as determined by the authority's general manager; and

(2) on obtaining any necessary authorization required by law.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0321. SEAL.**

The authority may use a corporate seal.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

## **SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

### **Text of section effective on April 01, 2023**

#### **Sec. 8510.0401. PROCEDURE FOR PAYMENT.**

A warrant for the payment of money by the authority may be drawn and signed by two authority officers or employees, as designated by a standing order entered in the authority's minutes, if the account has been contracted and ordered paid by the board.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

### **Text of section effective on April 01, 2023**

#### **Sec. 8510.0402. RECEIPT OF MONEY.**

The treasurer shall receive and give a receipt for all money received and spent by the authority.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

### **Text of section effective on April 01, 2023**

#### **Sec. 8510.0403. FISCAL YEAR.**

The authority's fiscal year ends September 30 of each year.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

### **Text of section effective on April 01, 2023**

#### **Sec. 8510.0404. FILING OF AUDIT REPORT.**

A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be filed:

- (1) as required by Section 49.194, Water Code; and
- (2) in the office of the auditor.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0405. ASSET MANAGEMENT PLAN.**

- (a) In this section, "system" means a system for the:
  - (1) provision of water to the public for human consumption; or
  - (2) collection and treatment of wastewater.
- (b) The authority shall adopt an asset management plan by:
  - (1) preparing an asset inventory that identifies the assets of each system and the condition of the assets;
  - (2) developing criteria to prioritize assets for repair or replacement, including:
    - (A) the date by which the asset will need to be repaired or replaced;
    - (B) the importance of the asset in providing safe drinking water and complying with regulatory standards;
    - (C) the importance of the asset to the effective operation of the system; and
    - (D) other criteria as determined by the authority;
  - (3) estimating asset repair and replacement costs;
  - (4) identifying and evaluating potential financing options; and
  - (5) prioritizing systems that are not in compliance with federal or state regulatory standards, including water quality standards.
- (c) The authority shall review and revise the plan as necessary to account for regulatory changes and other developments.
- (d) The board shall approve the plan annually as part of its budgeting process.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0406. RATES AND CHARGES.**

- (a) The authority shall impose rates and other charges for the sale or use of water or for services sold, provided, or supplied by the authority.
- (b) The rates and other charges must be reasonable and nondiscriminatory but sufficient to provide revenue adequate to:
  - (1) pay the authority's expenses in carrying out the functions for which it is created; and
  - (2) fulfill the terms of any agreements made with the holders of any of the authority's obligations.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0407. CHANGES TO RATES AND CHARGES.**

- (a) In this section, "affected person" has the meaning assigned by Section 13.002, Water Code.
- (b) The board shall establish a process to ensure that, before the authority makes a significant change to a rate or charge for the sale and use of water, affected persons are provided:
  - (1) notice of the proposed change; and
  - (2) an opportunity to provide to the board comments regarding the proposed change.
- (c) The process established under Subsection (b) must include:
  - (1) the provision of notice of a proposed change:
    - (A) on the authority's website; and
    - (B) in an affected person's utility bills; and
  - (2) appropriate informational meetings or rate hearings that provide affected persons the opportunity to provide public comments about the proposed change to be held:
    - (A) before sending a statement of intent required under Chapter 13, Water Code;
    - (B) in locations as necessary to enable affected persons to attend; and
    - (C) after the provision of notice under Subdivision (1).
- (d) The board by rule shall establish a percentage change in a rate or charge such that a change greater than or equal to that percentage is considered significant for purposes of Subsection (b).

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0408. NOTICE OF RIGHT TO APPEAL CHANGES TO RATES.**

- (a) In this section, "affected person" has the meaning assigned by Section 13.002, Water Code.
- (b) The authority shall notify affected persons of their right to appeal changes to rates:
  - (1) in notices related to changes to rates;
  - (2) in utility bills sent before the deadline for initiating an appeal under Chapter 13, Water Code; and
  - (3) on the authority's website.
- (c) The notice required by Subsection (b) must include descriptions of:
  - (1) the appeals process;
  - (2) the requirements for an appeal, including the number of signatures needed on a petition; and
  - (3) the methods available for obtaining additional information related to rates.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0409. DEPOSITORY.**

(a) The board shall designate one or more banks in the authority to serve as depository for the authority's money.

(b) Authority money shall be deposited in a depository, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank named in the trust agreement; and

(2) money shall be remitted to the bank of payment for the payment of the principal of and interest on bonds.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0410. TAX NOT AUTHORIZED BY CHAPTER.**

This chapter does not authorize the authority to impose any form of tax inside the authority.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**SUBCHAPTER E. BORROWED MONEY OR GRANTS**

**Text of section effective on April 01, 2023**

**Sec. 8510.0501. POWER TO ISSUE OBLIGATIONS OR WARRANTS.**

The authority may issue obligations or warrants to obtain money.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0502. LOANS AND GRANTS.**

The authority may:

(1) borrow money for its corporate purposes; and

(2) borrow money or accept a grant from the United States, this state, or any other source, and in connection with the loan or grant, enter into any agreement or assume any obligation as may be required.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0503. POWER TO SEEK AND ACCEPT CONTRIBUTIONS.**

(a) The authority may seek and accept from any source a contribution to an authority fund for the purpose of funding:

- (1) necessary studies;
- (2) engineering and other services; and
- (3) the collection and computation of data respecting regional and general conditions that influence the character and extent of the improvements necessary to effect the authority's purposes to the greatest public advantage.

(b) A grant or gratuity shall be strictly accounted for and is subject to the same rules and orders applicable to other money the authority handles or disburses.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0504. POWER TO ISSUE BONDS.**

(a) The authority may issue bonds as authorized by this chapter for the purpose of providing money for any purpose authorized by this chapter.

(b) The authority, without an election, may issue bonds payable from the authority's revenue pledged by board resolution.

(c) The bonds must be authorized by a board resolution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0505. FORM OF BONDS.**

Authority bonds must be:

- (1) issued in the authority's name;
- (2) signed by the president or vice president; and
- (3) attested by the secretary.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0506. MATURITY.**

Authority bonds must mature not later than 50 years after the date of their issuance.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0507. BONDS PAYABLE FROM REVENUE.**

(a) In this section, "net revenue" means the authority's gross revenue less the amount necessary to pay the cost of maintaining and operating the authority and the authority's property.

(b) Authority bonds may be secured by a pledge of:

- (1) all or part of the authority's net revenue;
- (2) the net revenue of a contract entered into at any time; or
- (3) other revenue specified by board resolution.

(c) The pledge may reserve the right to issue additional bonds on a parity with or subordinate to the bonds being issued, subject to conditions specified by the pledge.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0508. COMPENSATION RATES.**

(a) The board shall set and revise the rates of compensation for:

- (1) water the authority sells; and
- (2) services the authority renders.

(b) The rates of compensation must be sufficient to:

- (1) pay the expense of operating and maintaining the authority's facilities;
- (2) pay the bonds as they mature and the interest as it accrues; and
- (3) maintain the reserve and other funds as provided in the resolution authorizing the bonds.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.



**Text of section effective on April 01, 2023**

**Sec. 8510.0509. ADDITIONAL SECURITY.**

(a) Authority bonds, including refunding bonds, may be additionally secured by a deed of trust lien on the authority's physical property and all franchises, easements, water rights and appropriation permits, leases, and contracts, and all rights related to the property, vesting in the trustee power to:

- (1) sell the property for payment of the debt;
- (2) operate the property; and
- (3) take other action to further secure the bonds.

(b) The deed of trust may:

- (1) contain any provision the board prescribes to secure the bonds and preserve the trust estate;
- (2) provide for amendment or modification of the deed of trust; and
- (3) provide for the issuance of bonds to replace lost or mutilated bonds.

(c) A purchaser under a sale under the deed of trust is the owner of the dam and other property and facilities purchased and is entitled to maintain and operate the property and facilities, if the authority forfeits or defaults.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0510. USE OF BOND PROCEEDS.**

(a) The authority may set aside an amount of proceeds from the sale of authority bonds for the payment of interest expected to accrue during construction and a reserve interest and sinking fund. The resolution authorizing the bonds may provide for setting aside and using the proceeds as provided by this subsection.

(b) The authority may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the authority's purposes.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0511. APPOINTMENT OF RECEIVER.**

(a) On default or threatened default in the payment of the principal of or interest on authority bonds, a court may appoint a receiver for the authority on petition of the holders of 25 percent of the outstanding bonds of the issue in default or threatened with default.

(b) The receiver may collect and receive all authority income, employ and discharge authority agents and employees, take charge of money on hand, and manage the authority's proprietary affairs without the board's consent or hindrance.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

**Text of section effective on April 01, 2023**

**Sec. 8510.0512. REFUNDING BONDS.**

(a) The authority may issue refunding bonds to refund outstanding authority bonds and interest on those bonds.

(b) Refunding bonds may:

- (1) be issued to refund bonds of more than one series;
- (2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
- (3) be secured by a pledge of other or additional revenue.

(c) The provisions of this subchapter regarding the issuance of other bonds and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the concurrent surrender and cancellation of the bonds to be refunded.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

# **APPENDIX — C**

## **BYLAWS**

**BYLAWS  
OF  
RED RIVER AUTHORITY OF TEXAS  
EFFECTIVE JANUARY 23, 1990  
AMENDED JULY 15, 2009, APRIL 7, 2020, April 19, 2023**

**Section 1.** The purpose of these Bylaws is to provide for the conduct of the affairs of the Red River Authority of Texas, in conformity with and pursuant to the Act creating the conservation and reclamation district known as "Red River Authority of Texas", appearing as Chapter 279 of the General and Special Laws of the Fifty-Sixth Legislature of the State of Texas, at its Regular Session.

**Section 2.** The principal office of the Authority shall be in the City of Wichita Falls, Wichita County, Texas, at which office the records of the Authority will be maintained.

**Section 3.** Red River Authority of Texas shall have a seal, to be used in attesting all the official acts of the Board of Directors, or otherwise, as said Board may direct, such seal to be formed of two circles, one within the other, with the words, "Red River Authority of Texas" between the two circles, with two five-pointed stars between the two circles, which seal shall be known as the official seal of the Red River Authority of Texas, and which seal shall be kept by the Secretary of the Authority in the principal office of the Authority.

**Section 4.** (a) The Board of Directors of the Red River Authority of Texas shall have a regular meeting at least once every quarter at such time and place as the President of the Board may direct for the transaction of the business of the Authority.

(b) Special meetings of the Board of Directors may be called by the President to convene at such times and at such places within the District as the President may direct. The Secretary of the Board shall call special meetings at such times and places as may be requested by any three members of the Board, such three members to file written requests for such special meeting with the Secretary. Notice of such special meeting shall be given by the Secretary or Assistant Secretary to each member of the Board of Directors at least five days prior to the scheduled meeting and posted in accordance with the Texas Open Meeting Act.

(c) An emergency meeting of the Board of Directors may be called by the President or Vice President by giving notice of such emergency meeting to all of the members of the Board of Directors of such emergency meeting stating in such notice the time and place of such meeting and posted in accordance with the Texas Open Meeting Act

**Section 5.** The principal officers of the District shall be a President appointed by the Governor, and a Vice President, Secretary, and a Treasurer, all of whom shall be members of the Board of Directors and elected by the Board of Directors.; a General Manager, a General Counsel, and such other officers as the Board of Directors may from time to time by order of the Board name and all of such officers shall at all times have and perform such duties as may be assigned to them by the Board of Directors; provided further that the Board of Directors by proper order may select and appoint an Assistant Secretary or Secretaries, an Assistant Treasurer or Treasurers, an Assistant General Manager and such other officers as the Board may deem necessary.

**Section 6.** The term of office of all of the officers other than the President shall be for the next fiscal year after they are elected. New officers shall be chosen at the September meeting of the Board of Directors in each fiscal year, so as to be in office for the beginning of the fiscal year starting October 1. All officers shall continue in office until their successors are elected and qualified, except in the event of removal as hereinafter provided.

**Section 7.** (a) Not later than the 15th day after the date of appointment, a director shall qualify by:

(1) taking the constitutional oath of office; and  
(2) filing a good and sufficient bond with the secretary of state and obtaining the secretary of state's approval on the bond.

(b) The bond must be:

- (1) in the amount of \$5,000;
- (2) payable to the authority; and
- (3) conditioned on the faithful performance of duties as a director.

**Section 8.** The President shall preside at all meetings of the Board of Directors and shall execute all contracts, obligations, and undertakings of the Board in his official capacity. The Vice President shall, in the case of the absence or inability of the President to act, perform all of the duties of the President. The Secretary shall keep the minutes of all meetings of the Board and shall attest those contracts and documents that may appoint some member of the Board or some other officer of the District to act as Secretary Pro-Tem and a simple designation in writing by the President or the Vice President shall be sufficient to authorize any such person to act as Secretary Pro-Tem and perform all duties herein provided to be performed by the Secretary. In the absence of the President and the Vice President of the Board, the Board may elect from its membership a President Pro-Tem who shall thereupon be fully empowered to do and perform all of the duties of the President. The Treasurer shall keep all books and other records of the District and shall account for all the funds of the District. The General Manager shall have full authority in the management and operation of the Authority's affairs (subject only to the orders of the Board of Directors). The General Counsel shall have charge of all legal affairs of the District and be the legal advisor of the Board and the officers and employees of the District. The officers shall perform such further duties and shall be controlled in the discharge of their duties by such policies as the Board of Directors may from time to time adopt.

**Section 9.** Any officer other than President may be removed at any time by affirmative vote of five of the Board of Directors.

**Section 10.** (a) It is a ground for removal from the board that a director:

(1) does not have at the time of taking office the qualifications required by Sections 8510.0201 and 8510.0205;

(2) does not maintain during service on the board the qualifications required by Sections 8510.0201 and 8510.0205;

(3) ineligible for directorship under Chapter 171, Local Government Code;

(4) cannot, because of illness or disability, discharge the director's duties for a substantial part of the director's term; or

(5) is absent from more than half of the regularly scheduled board meetings that the director is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(b) The validity of a board action is not affected by the fact that it is taken when a ground for removal of a director exists.

(c) If the general manager has knowledge that a potential ground for removal exists,

the general manager shall notify the board president of the potential ground. The president shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the president, the general manager shall notify the next highest ranking director, who shall then notify the governor and the attorney general that a potential ground for removal exists.

**Section 11.** All vacancies caused by death, resignation, or removal of officers except for the office of President and except members of the Board of Directors shall be filled by appointment by the Board of Directors.

**Section 12.** The Board may authorize the employment of such agents, servants, or employees as may, from time to time, be deemed necessary for the conduct of the business of the District.

**Section 13.** (a) Each member of the Board of Directors shall receive the sum of \$150.00 for each day of service necessary to discharge his duties plus actual expenses and in the event that the amount of authorized compensation is changed by the Legislature of the State of Texas, then the Board of Directors shall have the authority to amend the amount covered under this section as fees for Directors.

(b) The officers, agents, servants, and employees of the District other than members of the Board shall receive such compensation as the General Manager may from time to time set subject to budget limitations adopted by the Board of Directors and subject to guidelines that may be adopted by the Board of Directors. The salary of the General Manager shall be set by the Board at the first regular meeting of the calendar year.

**Section 14.** The funds of the Red River Authority of Texas shall be disbursed only upon checks or vouchers signed by such persons as the Board of Directors may from time to time approve. The funds of the Red River Authority of Texas shall be deposited only in such bank or banks as the Board of Directors shall select as depositories of the Red River Authority of Texas funds.

**Section 15.** It is a policy of the Red River Authority of Texas to prohibit the Authority from granting money or other valuable property to individual citizens, associations, or corporations.

**Section 16.** (a) Except as provided by Subsection (b), a concurrence of a majority of the directors present is sufficient in any matter relating to Authority business.

(b) The concurrence of seven directors is required to award a construction contract or to authorize the issuance of a warrant to pay for a construction contract.

**Section 17.** (a) The president shall preside at all board meetings.

(b) At each regular board meeting, the board shall:

- (1) include public testimony as a meeting agenda item; and
- (2) allow the public to comment on all meeting agenda items and other matters under the authority's jurisdiction.

(c) At a regular board meeting, the board may not deliberate on or decide a matter not included in the meeting agenda, except that the board may discuss including the matter on the agenda for a subsequent meeting.

(d) The board or a board committee may hold a meeting by telephone conference call, by video conference call, or through communications over the Internet, in accordance with procedures provided by Subchapter F, Chapter 551, Government Code, if the board president or any three board members determine that holding the meeting in that manner is necessary or convenient.

**Section 18.** The board shall develop and implement policies that clearly separate the board's policymaking responsibilities and the general manager's and staff's management responsibilities.

**Section 19.** All contracts on behalf of the Red River Authority of Texas shall first be authorized by the Board of Directors by an affirmative vote of a majority of those present except where a different number is required by law; provided that the Board may authorize the President and/or General Manager without board approval to make contracts in the name of the Red River Authority of Texas from time to time where the amounts of money involved do not exceed \$100,000.

**Section 20.** It is the policy of the Red River Authority of Texas to encourage the use of appropriate alternative dispute resolution (ADR) procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under RRA's jurisdiction. All contracts of the Red River Authority of Texas meeting the requirements of the act will include ADR Contract Language:

**Section 21.** It is the policy of the Red River Authority of Texas to solicit for pre-qualified professional services vendors for contracts expected to exceed \$25,000 at least every five years and to maintain that ranked record in the office of the Executive Assistant, as needed.

**Section 22.** The President may, with the approval of the Board of Directors, appoint an executive committee comprised of 3 or more members of the Board of Directors. Such Executive Committee shall possess such powers and duties that may be granted by the Board of Directors that are not in conflict with the Laws of the State of Texas or these Bylaws.

**Section 23.** Any provision of these Bylaws in conflict with the Act creating the Red River Authority of Texas or any act or law amendatory thereof, shall be of no force or effect.

**Section 24.** These Bylaws may be amended by affirmative vote of the Board of Directors provided, however, that such amendment shall not be adopted unless it shall have been first read at a regular meeting preceding its adoption or unless it be adopted by affirmative vote of all of the Directors present.

# **APPENDIX – D**

## **BOARD OF DIRECTORS SEPARATION OF POLICYMAKING AND MANAGEMENT FUNCTIONS POLICY**



# **RED RIVER AUTHORITY OF TEXAS**

## **BOARD OF DIRECTOR SEPARATION OF POLICYMAKING AND MANAGEMENT FUNCTIONS POLICY**

### **Section D-1 Purpose**

This policy defines the relationship between the Authority's Board of Directors and the management of the Authority. This policy further describes the respective responsibilities and expectations of the Board and management functions of the Authority, as well as the delegation of certain powers and duties to effectuate those responsibilities.

### **Section D-2 Board of Directors Training**

Each member of the Authority's Board of Directors will participate in training to expand their knowledge of responsibilities and legal parameters related to their membership on the Board. Training may include relevant topics such as open meetings, open records, public information, administrative procedures, conflicts of interest, pension matters, ethics and employee benefits. Training may also include topics specific to the Authority, such as governing laws, bylaws, budget matters and audit requirements. The General Manager/CEO shall facilitate training of the Board of Directors by maintaining a list of all required training and completed training courses, as well as provide an orientation related to the Authority-specific matters to all newly appointed Board of Directors.

### **Section D-3 Responsibilities of the Board of Directors**

The Board of Directors will establish the overall goals and objectives of the Authority, review them on a periodic basis and adopt Board policies guiding the managerial direction and actions to pursue such goals and objectives. The Board shall also adopt an annual budget that provides funding for the pursuit of those goals and objectives.

### **Section D-4 Public Interest and Trust**

The Board will consider and establish policies in the public interest and retain management personnel with the capabilities to accomplish related policy goals. The Board will faithfully perform its responsibilities by conducting its affairs in a highly moral, ethical and sound business manner. The Board, collectively and severally, will not direct the policies and actions of the Authority from perspectives of private gain or personal advantage. To the extent the Authority management is deemed to be capable and effective in the execution of Board policies, the Board shall leave management to the managers.

### **Section D-5 Delegations to the General Manager/CEO**

Pursuant to the Authority's Enabling Act and Bylaws, the Board of Directors shall employ a General Manager/CEO who will be the chief executive officer of the Authority. As authorized by Texas Water Code Section 49.056(a), the Board of Directors delegates to the General Manager/CEO all general powers and duties necessary to accomplish the Authority's purpose, plans and objectives, as approved by the Board and the Board shall periodically review the performance of that individual in fulfilling those plans and objectives. Notable powers and duties reserved by the Board and which are not be delegated to the General Manager/CEO include:

- Selection of Board Officers.
- Establishing and amending the Authority's Bylaws and Board Policies.
- Authorization to borrow money or approve bond resolutions.
- Approval of agreements related to joint ownership of operating facilities.
- Establishment of rates and charges for water, power and other services.
- Approval of sale of any real property.
- Approval of contracts for professional and other consulting services in excess of \$100,00 in accordance with related Board Policies.
- Approval of contracts for materials, supplies, equipment, and related services, valued in excess of \$100,000, in accordance with related Board Policies.

- Initiation of litigation on behalf of the Authority.
- Approval of a bank(s) as a depository of Authority funds.
- Establish the compensation and benefits of the General Manager/CEO.
- Adoption of an annual budget.
- Engagement of an auditor to perform an annual financial audit. The Board of Directors will exercise reasonable diligence to ensure that the delegations to the General Manager/CEO provided for in this policy statement are properly implemented. The Board will articulate clear and coherent goals and statements of its expectations through its policies and the adoption of work plans and budgets. The General Manager/CEO is responsible for fulfilling these commitments and management of the organization.

#### **Section D-6 Board Approval**

Regardless of delegated authority in this or any other Authority policy, Board approval is required for all decisions where Board policy or direction has not been clearly established.

#### **Section D-7 Board Consideration**

The Board shall devote prompt, analytic and critical attention to matters and information presented by management for Board consideration and thereafter appropriately respond to such matters. This shall include the annual budget and the development and prioritization of policies, long-range goals and objectives, as provided in the Bylaws, and other matters requiring direction and decisions by the Board.

#### **Section D-8 Responsibilities of the General Manager/CEO**

The General Manager is the Chief Executive Officer of the Authority and is responsible for carrying out the business and activities of the Authority. The General Manager/CEO will issue appropriate management procedures setting forth the desired direction(s) of management staff and other employee actions to fulfill the policies, goals, objectives and directions of the Board. The General Manager/CEO may delegate any of his/her general powers, duties and related authorities, as deemed appropriate, to officers and management staff members. Such delegations shall typically be in writing unless an emergency or similar such circumstance prevents it.

#### **Section D-9 General Manager/CEO Communications with the Board**

The General Manager/CEO shall recognize and respect the obligations of the Board of Directors to direct the policies of the Authority. Such recognition demands:

- Fortrightness in communications;
- Candor in evaluation of the conduct of the business and operations of the Authority;
- Aggressiveness in the exploration and presentation of business and operational activities and alternatives of the Authority; and
- Promptness in bringing to the attention of the Board matters pertaining to the discharge of Board responsibilities.

#### **Section D-10 Thorough and Timely Information**

The General Manager/CEO, in recognition of the responsibility of the Board to be prompt and prepared in respect of matters upon which it must act, shall be thorough and timely in the presentation and organization of information upon which the Board must act upon, or which management expects policy guidance from the Board. This shall include the development of the annual budget and the development and prioritization of policies, long-range goals and objectives.

#### **Section D-11 General Manager/CEO Commitment to the Board**

The General Manager/CEO shall fulfill his/her responsibilities to the Authority and to the public through a commitment to the entire Board of Directors as the body politic ultimately responsible, under the Act, to the public and its interests. Such commitment shall be to the policies, plans and goals established by the entire Board rather than the initiatives of individual Board members.

#### **Section D-12 Responsibilities**

The General Manager/CEO shall prepare a Strategic Plan at least once every five years and include in such Plan the long-term goals and objectives of the Authority. The Board of Directors shall provide its input into the development

of the Strategic Plan and subsequently adopt the Plan. The Board and management of the Authority shall review the current Plan to determine if any updates or changes need to be made. Following the initial adoption and after each five-year update, the Plan shall be posted to the Authority's website.

The General Manager/CEO will also annually prepare management's short-term objectives, goals and priorities which facilitate the pursuit of the Strategic Plan. These goals and objectives will similarly be provided to the Board of Directors for input and adoption.

#### **Section D-13     Annual Budget**

An integral component in the establishment of the Authority's goals and priorities is the compilation and adoption of an annual budget. It is the responsibility of the General Manager/CEO to prepare a budget that includes all Authority activities and present it to the Board for their consideration each year. Such budget shall include sufficient financial and operational information, assumptions and estimates so that the Board may undertake its consideration and thereafter establish the Authority's final budgeted objectives, goals and priorities for the following year(s). Unless the Board provides otherwise in a resolution or other action, the Board's approval of an annual budget shall be construed to:

- Authorize the General Manager/CEO to expend funds pursuant to the budget and;
- Approve the General Manager/CEO's negotiation and execution of expenditures provided for in the budget, up to the amounts listed in Section D-5 above. However, if conditions materially change subsequent to the Board's budget adoption, the General Manager/CEO will promptly report such changes to the Board.

Adoption of the budget authorizes the General Manager/CEO to complete the budget in accordance with Board policies. The General Manager/CEO will provide periodic reports that include: performance measurements; actual revenues and expenditures compared to budget; status of financial reserves; and status of major capital projects.

**Effective:            April 19, 2023**

## **APPENDIX – E**

### **STANDARDS OF EXCELLENCE**

# RED RIVER AUTHORITY OF TEXAS

## STANDARDS OF EXCELLENCE

The Authority's administrative standards are designed to provide the supervisor and the employee with a uniform method of evaluating performance strengths and weaknesses observed over a given period of time.

The performance evaluation is divided into three dimensional categories of Results and Methods, Personal Qualities, and Interpersonal Skills believed to be essential to the successful accomplishment of the Authority's goals and objectives.

Each category exhibits ten character traits that model the Authority's required work ethic. Scoring is achieved on a five (5) point rating scale over each trait and based on individual performance as follows:

*1 = Unsatisfactory   2 = Below Average   3 = Good   4 = Very Good   5 = Outstanding*

The performance of each classified employee will be evaluated pursuant to Section 1.2.2 of the General Policy with respect to these administrative standards.

It is suggested that each employee become familiar with the standards and personally evaluate their position periodically to ensure that personal career goals are being met and the Authority's expectations are maintained.

### **RESULTS AND METHODS**

**JOB KNOWLEDGE** — The employee's use of basic skills, fundamentals, techniques, and procedures relevant to the specific duty assignment; the ability to apply current level of education, and experience towards accomplishment of assigned tasks; consider the length of time or service at this duty assignment.

**ATTITUDE** — The employee's mental expression, behavior and/or approach to the Authority, co-workers and the general public, the general constructiveness regarding normal duty assignments and related tasks as it impacts others and the level of productivity.

***PLANNING AND ORGANIZATION*** — The employee's ability to effectively and efficiently manage their time and resources regarding normal duty assignments or special tasks. Must the employee be prompted or reminded of scheduled completion dates, work area clean up, or to proof their work?

***COOPERATION*** — The employee's willingness to work harmoniously with co-workers and/or the public in attaining established objectives. Does the employee consistently contribute to the "team effort" and work well with others?

***COMMUNICATIONS*** — The employee's ability to express him or herself clearly, confidently, accurately, and in an organized manner, both verbally and in writing. Is dialogue generally constructive in nature?

***QUALITY OF WORK*** — The employee's ability to achieve and consistently maintain standard requirements for thoroughness, accuracy, neatness, and professional presentation. Does completed tasks meet the established standards for the position?

***QUANTITY OF WORK*** — The employee's ability to meet production requirements of the position and/or assigned work at rate consistent with that of similarly trained contemporaries. Are tasks completed in a timely manner without prompting?

***PROBLEM SOLVING*** — The employee's ability to resolve problems encountered in the normal course of duty; the methodical use of abstract reasoning, researching, evaluating, and reaching sound conclusions within the framework of the policy; personal discernment, involvement, and resourcefulness in successfully concluding a problem without forfeiting objectivity.

***LEARNING ABILITY*** — The employee's ability and willingness to meet new challenges; the ability to adequately function in novel situations; the expressed desire to expand one's capacity in an effort to build value in self and the Authority.

***FOLLOW THROUGH*** — The employee's ability to see a program, plan, or project through to a logical conclusion; maintaining consistent momentum towards completion of assigned duties and special tasks without compromise.

### **PERSONAL QUALITIES**

***PERSONALITY*** — The employee's impact and/or effect on other people as a result of his or her general disposition, tact, mood swings, enthusiasm, appearance, and basic attitude toward the overall work plan or platform.

***STABILITY*** — The employee's mental and emotional self-control (balance) under stressful working conditions; the ability to maintain a satisfactory level of productivity under less than desirable working conditions.

***JUDGMENT*** — The employee's ability to reach sound, logical conclusions on the basis of available data and within the framework of policy; the ability to distinguish between practical and impractical alternatives or solutions while maintaining sight of established goals and objectives.

***INITIATIVE / MOTIVATION*** — The employee's ability to act independently without specific instructions in an assertive, self-confident, and eager manner within the scope of assigned duties and governing policy.

***PERSONAL INSIGHT*** — The employee's ability to objectively identify and/or acknowledge his or her strengths and weaknesses, then initiate corrective actions; the ability to accept constructive criticism in a non-defensive manner.

***EMOTIONAL MATURITY*** — The employee's ability to maintain objectivity, rationality, and emotional self-control in both personally and interpersonally demanding situations.

***LEADERSHIP*** — The employee's willingness to seek and accept increased levels of responsibility; the inspiration of others by conveying ideas and plans, and influencing them to greater unity of purpose toward the accomplishment of established goals and objectives.

***DEPENDABILITY*** — The employee's ability to work consistently, conscientiously, and predictably, with or without constant supervision; the employee's overall commitment to assigned duties, goals of the organization, and team efforts.

***PROFESSIONALISM*** — The employee's ability to conduct him or herself in a congenial but task oriented, businesslike manner, maintaining high ethical standards at all times, dedicated to the support of the Authority's standards of conduct.

***TIMELINESS / ATTENDANCE*** — The employee's consistent practice of arriving to work on time, mentally prepared for work, and work diligently on job related assignments. Does the employee strive to minimize absences, wasted time?

### **INTERPERSONAL SKILLS**

***RELATIONSHIP SKILLS*** — The employee's universal ability to deal smoothly and effectively with people at all levels of interaction. This trait includes the general conversational skills of effective expression, active listening, and positive interaction with co-workers, associates, and the public.

**INFORMAL LEADERSHIP** — The employee's capability to gain respect and support from co-workers and/or subordinates; the ability to maintain sight of goals and objectives while performing tasks in support of the overall team effort; generally supportive in nature while in the course of normal duty assignments.

**FLEXIBILITY** — The employee's ability to objectively consider alternate explanations, methodologies, and plans as presented; the ability to implement a course change or alternate plan as instructed without overreacting or becoming defensive in nature to the variation.

**EMPATHY** — The employee's ability and willingness to perceive situations from another person's viewpoint without losing objectivity or sight of the goal; the ability to establish and maintain a positive interaction with others without being degrading, demeaning, or intimidating; expressing personal consideration and respect for others at all times.

**PERSONAL COURTESY** — The employee's tendency to act in a civil, mature, and friendly manner regarding all levels of personal interaction; the ability to maintain a constructive and positive emotional attitude even in the face of disagreement.

**TELEPHONE COURTESY** — The employee's ability to present a positive, pleasant, businesslike tone of voice; the use of appropriate salutations and the demonstration of tolerance throughout the course of any conversation; thorough, factual, and prompt response to inquiries.

**APPEARANCE AND PERSONAL HYGIENE** — The employee's consistent compliance to the published dress codes relevant to the position's requirements; cleanliness and neatness regarding body hygiene; the presentation of a wholesome image and work ethic.

**CONGENIALITY** — The employee's tendency to project an overall friendly and cheerful approach in dealing with the duty assignments or other persons at any level; putting aside personal feelings, opinions, or personality conflicts in the successful accomplishment of Authority goals or objectives.

**GENUINENESS** — The employee's ability to convey a sincere and honest attitude when dealing with co-workers, associates, or the public; the ability to express either positive or negative feedback in a constructive and cooperative manner.

**PARTICIPATION** — The employee's personal willingness to contribute their time and skills to the team effort of achieving established goals; unselfishly taking part in group projects, programs, or special tasks with the intent of providing meaningful assistance to the group.



## **APPENDIX — F**

### **SAFETY POLICY AND LOSS CONTROL PROGRAM MANUAL SUMMARY**

# **SAFETY PROGRAM**

## **MANUAL SUMMARY**

### **PURPOSE**

It shall be the policy of the Red River Authority of Texas to achieve the greatest practical degree of freedom from accidents and to ensure that every employee is provided safe and healthful working conditions, free from recognized hazards. To accomplish this, a separate Safety Policy Manual is provided each employee when hired and safety training is conducted monthly.

The basic objective of this policy is that accidents and injuries will be significantly reduced or eliminated with the use of every reasonable safety precaution and through detailed safety information, instructional training, and aggressive promotion of safe work practices for the protection of both employees and the general public.

### **SCOPE OF EMPLOYEE RESPONSIBILITY**

- Adhering to all Authority safety procedures and rules
- Performing his or her duties in a safe and healthful manner
- Attending safety training meetings when requested to do so
- Reporting all accidents and illnesses to supervisor, regardless of how slight
- Reporting to work free from effects of drugs or alcohol
- Recognizing that observance of safety procedures is a condition of employment
- Not taking chances
- Immediately reporting all unsafe conditions encountered to the supervisor
- Using equipment and safety devices specified for employee protection
- Keeping work areas and vehicles clean and orderly
- Reminding a co-worker, who may overlook a safety procedure rule
- Performing pre-job surveys and inspections to identify work conditions

### **COMPLIANCE**

In the performance of their duties, all classified personnel of the Authority are expected to observe safety practices, rules, and operating procedures, as well as instructions relating to the efficient performance of their work.

The Authority shall enforce safe working procedures and methods to ensure compliance by all employees. Any acts by employees to deliberately disregard adopted safety practices and procedures of the Authority will result in disciplinary action. Disciplinary action, up to and including termination of employment, will be enforced as necessary to assure compliance.

**APPENDIX – G**

**CONSULTANT LIST**

# RED RIVER AUTHORITY OF TEXAS

## CONSULTANT LIST

### ENGINEERING AND PROFESSIONAL SERVICES

FIRM	CONTACT	ADDRESS	CITY / STATE / ZIP	TELEPHONE
Biggs and Mathews, Inc.	Kerry D. Maroney, P.E.	2500 Brook Street	Wichita Falls, TX 76301	(940) 766-0156
Freese and Nichols, Inc.	Jeremy Rice	4055 International Plaza, Suite 200	Fort Worth, TX 76109	(817) 735-7397
Plummer	Robert Adams	6300 La Calma, Suite 400	Austin, TX 78752	(512) 452-5905
Water Monitoring Solutions	Randy Rushin	205 Jefferson St. East	Sulphur Springs, TX 75482	(903) 439-4741

### FINANCIAL AUDITOR

FIRM	CONTACT	ADDRESS	CITY / STATE / ZIP	TELEPHONE
Edgin, Parkman, Fleming and Fleming, P.C.	David Parkman	P.O. Box 750	Wichita Falls, TX 76307	(940) 766-5550

### MUNICIPAL ADVISORY SERVICES

FIRM	CONTACT	ADDRESS	CITY / STATE / ZIP	TELEPHONE
Hilltop Securities	David Medanich	777 Main St, Ste 1200	Fort Worth, TX 76102	(817) 332-9710

### LEGAL SERVICES

FIRM	CONTACT	ADDRESS	CITY / STATE / ZIP	TELEPHONE
Lloyd Gosselink Rochelle and Townsend, P.C.	Sara Thornton	816 Congress Avenue, Suite 1900	Austin, TX 78701	(512) 322-5876

## **APPENDIX – H**

### **APPROVED FORMS SECTION**

# **RED RIVER AUTHORITY OF TEXAS**

## **Forms**

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Employees should contact their immediate supervisor or the Executive Assistant for the appropriate forms to be used in the course of their job duties.